TOWN OF LOS ALTOS HILLS
PLANNING COMMISSION AGENDA

REGULAR MEETING, THURSDAY, AUGUST 06, 2026, AT 6:00 P.M.
Council Chambers, 26379 Fremont Road, Los Altos Hills, CA ***www.losaltoshills.ca.gov***

ASSISTANCE FOR PERSONS WITH DISABILITIES
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (650) 941-7222. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

Notice to Public: Any writings or documents provided to a majority of the Planning Commission regarding any item on this agenda will be made available for public inspection in the City Clerk's office located at 26379 Fremont Road, Los Altos Hills, California during normal business hours. These materials will also be made available on the Town website subject to Staff's ability to post the documents before the meeting.

To attend the meeting in person:
City Council Chambers, 26379 Fremont Road, Los Altos Hills, CA 94022

To provide Public Comment in person:
Members of the public wishing to speak are requested to complete a speaker card and submit it to the Planning Secretary at the meeting.

To participate in the meeting via Zoom Video Conference, please follow the instructions below:

1. If you wish to submit a public comment on agenda items in advance of the meeting, email the Planner for the project and/or the Planning Commission at planningcommission@losaltoshills.ca.gov. If you choose to email your comments, indicate in the subject line "FOR PUBLIC COMMENT" and specify the agenda item number. Written comments will be posted on the City website at www.losaltoshills.ca.gov and distributed to the Commission subject to Staff's ability to post the documents before the meeting.
2. If you wish to provide public comment during the meeting, follow this protocol: raise your hand in the Zoom application, before sharing your comment, identify yourself by name and where you reside.
3. To join from a PC, Mac, iPad, iPhone, or Android device, click this URL to join:

   https://us02web.zoom.us/j/89964765820?pwd=pLoRnhRwqLTCoAKJeIp8PtjJz7jRkY.1

   Webinar ID: 899 6476 5820

   Password: 609916

   Or go to https://app.zoom.us/wc/join and enter the Webinar ID and Password above.

Public testimony will be taken at the direction of the Chair and members of the public may only comment during times allotted for public comments. This meeting will be broadcast via live-stream service at http://www.losaltoshills.ca.gov.

THURSDAY, AUGUST 06, 2026, AT 6:00 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

2. SWEARING IN CEREMONY & REORGANIZATION OF THE PLANNING COMMISSION
   2.1. Alisa Bredo
   2.2. Rajiv Patel
   2.3. Appointment of Chair
   2.4. Appointment of Vice-Chair

3. PRESENTATIONS FROM THE FLOOR
   Persons wishing to address the Commission on any subject not on the agenda are invited to do so now. Please note, however, that the Commission is not able to undertake extended discussion or act tonight on non-agendized items. Such items will be referred to staff or placed on the agenda for a future meeting.

4. CONSENT CALENDAR
   4.1. Approval of April 22, 2026, Planning Commission Special Meeting Draft Minutes
   4.2. Approval of May 7, 2026, Planning Commission Regular Meeting Draft Minutes

5. PUBLIC HEARINGS
   Public hearings are specially noticed items for discussion. Anyone wishing to speak regarding a public hearing should fill out a speaker card prior to the completion of the staff report and give it to staff. The order of business for public hearings is as follows:

   1. Staff Presentation
   2. Applicant Presentation – 15 Minutes
   3. Commission Questions/Clarifications
   4. Public Comments – 3 Minutes per person
   5. Applicant Response – 5 Minutes
   6. Commission Comments/Questions/Action

   If you challenge the proposed action(s) in court, you may be limited to raising only those issues you or someone else raised at the public hearing described below, or in written correspondence delivered to the Planning Commission at, or prior to, the public hearing.

   Any interested party may appeal a determination of the Planning Commission to the City Council by filing a written notice of appeal with the City Clerk by 4PM within twenty-one (21) days of the decision. A nonrefundable filing fee and a deposit for services shall accompany each notice of appeal, except that any member of the Council may file such an appeal without payment of a fee.

   ➢ *Planning Commission Ex Parte Contacts Policy Disclosure*

   5.1. Unaddressed La Barranca Road (APN 182-05-034) – File #SD25-0072, VAR25-0016 – Lands of Vangala & Tokala
   Request for: (1) Site Development Permit for the construction of a 4,584 square-foot, two-story single-family residence with attached garage, a 793 square-foot attached Accessory Dwelling Unit (ADU), 999 square-foot attached SB 9 unit, and associated hardscape and site improvements; (2) Variance to permit a driveway width exceeding the maximum 14 feet; (3) a Grading Policy Exception to allow excavation exceeding the maximum cut thresholds for driveways; and (4) Williamson Act compatibility determination, as the property is subject to a Williamson Act contract for agricultural land conservation.

CEQA review: Categorical Exemption per Section 15303(a)
Staff: Jonathan Fox, Senior Planner

5.2. 12238 Colina Drive – File #APL26-0001 – Lands of Merchant
Appeal Withdrawn

6. STUDY SESSION

6.1. Discussion on Policy Amendments to Permit Alternative Review of Variances for Electrical Equipment
Study Session to review the variance process for electrical equipment, provide policy direction, and direct staff regarding implementation of an administrative variance process for qualifying electrical equipment.
Staff*:* Timothy McBirney, Community Development Analyst

6.2. 26790 Arastradero Road – File #PA26-0037 – Lands of Congregation Beth Am
Study Session to review conceptual plans for a new security gatehouse and onsite parking and circulation improvements at Congregation Beth Am.
Information item only to provide feedback to the applicant; no formal action will be taken.
Staff: Jonathan Fox, Senior Planner

6.3. Housing Element Program E-11 – Incentives for Extremely Low-Income Housing Development
Staff: Jay Bradford, Community Development Director

6.4. Discussion of Housing Element Program A-6 Proposed Inclusionary Housing Ordinance and Affordable Housing In-Lieu Fee Program
Staff: Jay Bradford, Community Development Director

7. ONGOING BUSINESS

7.1. Discuss and Direct Staff Regarding Housing Element Implementation
Discuss and direct Staff regarding Housing Element implementation (Planning Commission discussion and direction).
Staff: Jay Bradford, Community Development Director

8. REPORTS FROM THE COMMISSIONERS

8.1. Past City Council Meeting Assignments
- July 16, 2026, Recess – No Meeting

8.2. Upcoming City Council Meeting Assignments
- August 20, 2026 – Bredo
- September 17, 2026 – Junaid
- October 15, 2026 – Waschura

9. REPORTS ON PAST FAST TRACK/SITE DEVELOPMENT MEETINGS

9.1. June 30, 2026
CANCELLED

9.2. July 7, 2026
CANCELLED

9.3. July 14, 2026
CANCELLED

9.4. July 21, 2026
CANCELLED

9.5. July 28, 2026
13920 Mir Mirou Drive File #SD26-0007 – Lands of Mehdeena Trust
Site Development Permit for the construction of a new 881 square-foot swimming pool with attached spa, hardscape improvements, outdoor lighting and new fence on an existing single-family residence.
CEQA review: Categorical Exemption per Section 15303(e). APPROVED

9.6. August 4, 2026
CANCELLED

10. REPORTS ON APPROVED REASONABLE ACCOMODATION APPLICATIONS

10.1. 12000 Kate Drive – Reasonable Accommodation Provisionally Approved for an Increase in Maximum Development Area (MDA)

11. COMMUNITY DEVELOPMENT DIRECTOR'S REPORT

11.1. HCD ADU Update

11.2. CDD Staffing Update

11.3. Report on Upcoming Subdivision Committee

12. ADJOURNMENT

Town of Los Altos Hills
Planning Commission Special Meeting
April 22, 2026, Minutes

Zoom Meeting, Town Hall, 26379 Fremont Road, Los Altos Hills, California 94022

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Chair Indaco called the April 22, 2026, Planning Commission Special Meeting to order at 6:00 p.m.

Present: Commissioner Junaid, Commissioner Patel, Commissioner Bredo, Vice-Chair Waschura, Chair Indaco

Absent:

Staff: Community Development Director Bradford, Senior Planner Fox, Assistant Planner Thakar, Administrative Clerk/Technician Ahumada, Assistant City Attorney Claire Lai

2. PRESENTATIONS FROM THE FLOOR

Resident Michael Grady highlighted an error in the agendized text description of PRESENTATIONS FROM THE FLOOR. He stated that Chair Indaco read that the section is an opportunity for residents to "discuss any subject *not* on the agenda" but in a Special Meeting, PRESENTATIONS FROM THE FLOOR serve to *only* discuss agendized items.

Resident Michael Grady urged the Commission to consider and adopt a Housing Element approach set forth by resident John O'Connell in Supplemental Materials 3 and 4 for item 3.1 He continued that it would represent an alternative path in addressing HCD's (California Department of Housing & Community Development) concerns utilizing FAR (Floor Area Ratio).

Resident John O'Connell presented slides from Item 3.1 Supplemental 4. He stated that the Town is suffering from past decisions based on poor advice and unnecessary time pressure and ultimately the Town should adopt an FAR approach, like San Francisco, to achieve the densities specified. He cited a resource from ABAG (Association of Bay Area Governments) which seemingly confirmed, months prior, that the Town was not obligated to utilize the dwelling unit per acre model.

3. ONGOING BUSINESS

3.1 Consideration of potential amendment to prior Planning Commission recommendation on April 13, 2026 regarding Certain Multi-Family Development Standards.
The Commission will consider amending its prior recommendation made on April 13, 2026 regarding multi-family unit size and unit mix requirements with additions or modifications to

them and to related multi-family development standards. Public testimony will be taken at the Planning Commission meeting.
CEQA Review: Exempt pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines.
Staff: Jay Bradford, Community Development Director

Chair Indaco presented item 3.1 and invited staff to begin the staff report presentation.

Community Development Director Jay Bradford stated the item is returning to the Commission because staff is seeking clarification on specific details with regard to the approved resolution of the April 13th, 2026, Special Planning Commission Meeting. It was also an opportunity to discuss other related concepts.

Vice-Chair Waschura specified that, after the previous meeting, the Commission quickly found that some of the proposed table entries were not functional.

Michael Baker and Associates International Consultant Dan Wery began a slideshow presentation.

Michael Baker and Associates International Consultant Dan Wery concluded the presentation.

Vice-Chair Waschura informed the Commission about another proposal to use equivalent development units, but HCD associates this idea with growth limitation. He added that HCD must be able to understand concepts for them to interpret for developers.

Consultant Wery stated that the maximum FAR has the same effect as the maximum dwelling unit, but FAR utilizes a more typical standard.

Vice-Chair Waschura deduced that the Commission was faced with two viable options, implementing a maximum Floor Area Ratio (FAR) approach or an amended unit mix requirement.

Vice-Chair Waschura, noted that the approach of modifying the table seemed to guarantee smaller units.

Consultant Dan Wery stated that relying on FAR alone will not guarantee that developers will build a mix of unit sizes. This can be resolved by requiring a specific mix based on percentage.

Vice-Chair Waschura inquired if utilizing inclusionary zoning would suffice to ensure lower income units are developed or would developers opt out and pay an in-lieu fee to build larger units. **Director Bradford** clarified a distinction between small units and deed restricted units and added that inclusionary zoning policy focuses only on deed restricted units.

Vice-Chair Waschura asked if the presented tables and hypotheticals could apply to smaller parcels (.5 - 1 acre) or if new calculations and standards would have to be formulated and applied. **Consultant Wery** responded that the already-zoned multifamily parcels have sufficient room, concurred that small lots would be more difficult to develop, but developers often find creative means to ensure projects comply (adding a fourth story, undergrounding all parking). He concluded that modified standards could be developed at the time as well.

Commissioner Patel inquired about the .75 FAR figure proposed by HCD, born out of SB79, and whether it represents a ceiling or minimum in high transit areas. Consultant **Dan Wery** responded that it represents a minimum and that unit calculations are rounded up (22.6 units would become 23). He continued that SB79 does not apply to Los Altos Hills, but it represents a feasible method for the 24-unit-per-acre framework.

Consultant Dan Wery confirmed for **Commissioner Bredo** that both options are viable (Amended Unit Mix or FAR) and both have their advantages. As an example, he noted that FAR would be easier for HCD to understand.

Chair Indaco questioned utilization of SB79(.75 FAR) as a framework since it is meant for transit-oriented cities like Los Angeles. **Consultant Dan Wery** warned that HCD might view a lower FAR as too restrictive.

Chair Indaco inquired about developers applying density bonus and about any means to cap said developments. **Consultant Dan Wery** responded that developers can waive any number of development standards to "make projects fit" and typically parking requirements are waived first.

Assistant City Attorney and Consultant Dan Wery confirmed that developers do not necessarily have to include bonus density units in the same mix as the base design.

Assistant City Attorney and Consultant Dan Wery confirmed that bonus density units do not have to comply with unit mixes, or they do not have to adhere to unit mix ratio of the base design.

Assistant City Attorney Claire Lai clarified that if the town were utilizing the FAR approach, as opposed to dwelling units per acre, the statute states that a developer could still calculate dwelling units per acre based on the development standards of that zone and the municipality would have to accept.

Commissioner Bredo inquired if HCD's verbiage could be presented prior to public comment. **Director Bradford** clarified that HCD did not explicitly require changes but rather stated that they did not understand how the average unit size model performs. They communicated that the standard could be replaced to proceed.

Commissioner Patel questioned the seemingly wide ranges for unit sizes presented in Dan Wery's slide. **Consultant Dan Wery** concurred.

Vice-Chair Waschura inquired if either approach was more applicable to half-acre and acre lots. **Consultant Dan Wery** responded that either approach is viable, but he would have to consider the question more thoroughly later.

DRAFT

Public Comment

Resident Michael Grady stated that HCD did not understand the 750 square feet average unit size approach, but that the communicator failed to express that it is essentially the same concept as an FAR approach. He criticized the proposal of .75 FAR as a benchmark and proposed an FAR of approximately .45 like Hillsborough.

Resident John O'Connell began by asking Consultant Dan Wery if he considered similar communities like Los Altos Hills in his research and FAR analysis before SB79. He stated that he chose SB79 as benchmark to demonstrate a familiar use of FAR.

Resident John O'Connell recommended mimicking the approved approaches of similar jurisdictions and explaining to HCD that such an approach is clearly viable. He added that all 12.6 acres which were originally rezoned for 92 units have a FAR of .56.

Resident John O'Connell presented slides from Item 3.1 Supplemental 3. He presented data demonstrating that a FAR of 0.41-0.43 would allow for 20-24 dwelling units per acre, with an average unit size of 744-937 square feet. He emphasized the importance of utilizing incentives and the importance of using language and approaches that HCD understands, and recommended setting setbacks at 35 feet for one-acre parcels and potentially 30 feet for half-acre parcels. He applied his alternative proposal to the Twin Oaks site. He calculated that a combined development could support up to 14,500 square feet of very low-income housing bonus area. He reiterated that Housing Element actions and submittals require careful analysis and Staff must rebut HCD's tight deadlines.

Resident John O'Connell concluded his presentation.

In answering **Vice-Chair Waschura, John O'Connell** stated that the concept of Coverage Area Ratio is necessary for all lots, not just small lots. John O'Connell then explained how CAR is calculated and applied using a site area which allows 3.5 units per acre as an example.

Vice-Chair Waschura thanked John O'Connell for his presentation and echoed the need to tell HCD that more time is required for responses.

Resident John O'Connell stressed the importance of careful analysis to avoid past mistakes and minimize felt consequences, especially for neighbors near multifamily developments.

Commissioner Bredo ~~inquired if John O'Connell was applying slope like in MDA calculations.~~ **~~John O'Connell~~** ~~responded that slope is already accounted for, he also clarified that the 18,000 square foot area refers to the area of floor space across all stories.~~[**To be corrected]**

Citizen Ann Paulson urged the Town to "simplify" given that a developer could simply waive any development standards.

Commissioner Junaid thanked the community and asked **Director Bradford** to summarize why the Commission had congregated that evening once again. **Director Bradford** responded

that a modification by the Commission in the previous meeting proved to be a constraint and needed to be adjusted.
Commissioner Junaid expressed her appreciation and reliance on experts, suggested that the Commission table discussion on acre and sub-acre lots for a future meeting, stated that SB79 is simply a conceptual model and familiar framework for HCD. **Director Bradford** concurred but did credit John O'Connell's presentation of more suitable unit ratios.

Commissioner Junaid continued by concurring that the unit size ranges were too large, expressed concerns about developers choosing density bonuses and smaller units due to high construction costs and emphasized the need to balance constraints while ensuring feasibility. She suspected that FAR might be a better approach regarding density bonuses.

The Commission deliberated the use and feasibility of incentives, noting that O'Connell's proposal began at an FAR of .43 but could reach .75 with incentives.

Director Bradford stated that the inclusionary policy will drive deed restricted affordable units separately from market rate units so the incentivization would have to describe the units in terms of size, not affordability or income bracket. He further described the inclusionary policy as additive to the FAR with mixed unit approach.

Commissioner Patel questioned why inclusionary policies had to be separated from the Town's base zoning standards. **Director Bradford** responded that the Town would unintentionally be driving density bonuses if inclusionary policies were incorporated into base multifamily zoning policy.

Commissioner Patel favored incorporating inclusionary policy into the base zoning standards, stating that it would demonstrate to HCD that an FAR of approximately .75 can be achieved with incentives

Commissioner Bredo appreciated the flexibility of the FAR approach and did not like that in the previous approach, the town was prescribing unit sizes via percentage.

Commissioner Patel stated that the unit mix concept should be completely abandoned in favor of FAR, citing increased simplicity.

Director Bradford presented an option to add a 15% small-unit requirement to the FAR approach, with the inclusionary policy providing additional small units. He further demonstrated how density bonus and inclusionary housing requirements interact.

Commissioner Junaid echoed earlier sentiments of simplicity and was not in favor of restrictions based on size.

Chair Indaco warned that the developments on Twin Oaks would be sold as condos.

Resident Hari Sankar responded that while consultants add value, they often take "the path of least resistance." He urged the Commission to think like residents and supported a .45 FAR.

Resident John O'Connell advised the Commission not to raise the topic of inclusionary housing with HCD, which is an entirely separate and complex issue.

Vice-Chair Waschura asked John O'Connell whether his research identified successful examples of hybrid FAR and mixed-unit approaches. O'Connell responded that he was researching at the macro-level and could not comment on such a specific approach.

Resident John O'Connell stated that being granted bonus density units does not imply an increase in FAR. He added that many jurisdictions offer a Floor Area Bonus as an alternative to density bonus. A floor area bonus has the advantage of an increase in development area without necessitating them to build more units. He supported an FAR of .43 to .45

Vice-Chair Waschura reintroduced **Commissioner Junaid's** question: "Are we considering hybrid or not." **Commissioner Patel** asked for a definition of the hybrid approach in question. As an example, **Vice-Chair Waschura** answered that a hybrid approach (FAR and unit size) would apply an FAR of .45 and require 15% of the units to be a "X" size in square feet.

Commissioner Patel inquired if the incentive structures for development should be tied to the FAR approach or a separate program. The Commission deliberated this point.

Vice-Chair Waschura quickly polled the Commission, and all members agreed on just utilizing FAR, not the hybrid approach, and agreed on .45 FAR. **Director Bradford** suggested that incentive structures be discussed and added later and the Commission agreed.

Commissioner Patel stated that the discussion on setbacks, from John O 'Connells presentation, should also be tabled for a discussion in the future. **Vice-Chair Waschura** suggested that the new Housing Element Standing Committee should discuss the topic.

MOTION MADE AND SECONDED: Vice-Chair Waschura proposed a motion to give instruction and information to Staff to adjust the previous recommendation to City Council, from April 13th, 2026, Planning Commission Meeting, to reflect that the table entries for unit mix be replaced with a Floor Area Ratio (FAR) requirement of .45.

Commissioner Junaid seconded the motion

(motion language in the video begins 02:36:00)

MOTION PASSED: 5-0-0-0

AYES: Commissioner Junaid, Commissioner Bredo, Commissioner Patel, Vice-Chair Waschura, Chair Indaco

NOES:

ABSTAIN:

RECUSE:

ABSENT:

Director Bradford and Consultant Dan Wery informed the Commission of the need for a second motion to address an incentive for senior housing which was nullified by the first motion.

The Commission deliberated the alternative FAR increase to achieve an equivalent effect.

Public Comment

There was no Public Comment

2 OF 2

MOTION MADE AND SECONDED: Vice-Chair Waschura proposed a motion to correspondingly adjust the incentive for senior housing from an increase in average unit size to instead be a .05 increase in Floor Area Ratio (FAR).

Commissioner Patel seconded the motion

(motion language in the video begins 02:44:00)

MOTION PASSED: 5-0-0-0

AYES: Commissioner Junaid, Commissioner Bredo, Commissioner Patel, Vice-Chair Waschura, Chair Indaco

NOES:

ABSTAIN:

RECUSE:

ABSENT:

DRAFT

Chair Indaco thanked John O'Connell for his input. **Vice-Chair Waschura** commended the efficiency of all meeting participants including staff.

4 CODE INTERPRETATION

4.1 Discussion and Feedback Regarding Basement Standards for Accessory Dwelling Units (ADUs)

Consider whether basement area counts toward the maximum ADU size and whether basements beneath ADUs are permitted within the 30-foot setback. *Reference: Los Altos Hills Municipal Code, Title 10, Chapter 1, Article 2 (Definitions) and Article 14 (Accessory Dwelling Units).*
Staff: Jonathan Fox, Senior Planner

Chair Indaco presented item 4.1 and invited Staff to begin the report.

Senior Planner Jonathan Fox began a slideshow presentation.

Senior Planner Jonathan Fox concluded his presentation.

Vice-Chair Waschura inquired how this ordinance would affect basements beneath SB9 units, given that SB9 unit regulations cannot differ from the base zoning standards. **Senior Planner Fox** responded that regulations would have to align.

Senior Planner Fox provided the current zoning standard for basements in Town, "a basement is considered underground if the floor area of the main level, of the ground level, is no less than 20 inches above grade." He added that for daylighted basements, the exposed portion is counted towards MFA (Maximum Floor Area).

Director Bradford provided a quick clarification stating that the basement in question from the item description would be "within" the setback meaning the basement is not between the property line and 30-foot setback.

Commissioner Patel provided historical context stating that since 2023 there has been a lot of discussion on the "lack" of a comprehensive ADU ordinance, especially compared to the more novel SB9 ordinance. He reminded that Commission that in SB9 ordinance discussions they concluded that no basements would be allowed in the setbacks but would be allowed for SB9 units outside of setback areas.

The Commission noted that there are not many examples (SB9 unit basements) in Town yet to compare.

Senior Planner Fox confirmed that SB9 units must adhere to the same R-A (Residential Agricultural) standards.

Chair Indaco stressed that SB9 units are more comparable to primary and secondary units and not ADUs.

Director Bradford informed the Commission that to adhere to SB450 an SB9 unit would be permitted a basement because a main dwelling is permitted a basement, *despite* the SB9 unit's hypothetical location inside of a setback. **Chair Indaco** requested a thorough legal interpretation later. As an example, **Director Bradford** stated that grading is permitted within 4 feet for SB9 Units and ADUs, despite the Town's clear 10-foot grading exception policy.

Commissioner Patel determined that the discussions were better suited for the SB9 ad hoc committee. He asserted that ADUs are distinct from SB9 units and thus can be restricted in terms of development.

Commissioner Patel asserted that ADUs can be up to a maximum of 1,200 square feet if they are outside of setbacks, that a basement should be allowed if it is outside of setbacks and that the ADU "*as whole"* cannot have more than 1,200 square feet between the basement and above ground portion.

Commissioner Junaid expressed concern that this approach would not de-incentivize developers to build ADUs outside of setbacks and proposed that developers be permitted 1,200 square feet inside of setbacks with no basement or 1,000 square feet outside of setbacks with a permitted basement.

Vice-Chair Waschura noted that Commissioner Junaid's approach incentivizes building outside of setbacks and permits basements which are not visible. He added that he would be amenable to basements inside of setbacks as well, arguing that there are many properties with severe constraints. **Chair Indaco** strongly disagreed with the idea of permitting basements inside of setbacks.

To focus the conversation **resident John O'Connell** reminded the Commission that the goal of the agendized item was to seek clarification on existing basement ordinances.

Commissioner Patel stated that the current ordinance is "broken" and requires readjusting but in the meantime, he was opposed to any basements inside of setbacks.

Public Comment

Resident John O'Connell expressed his understanding that no basements, for any category of development, are allowed inside of setbacks. He added that there are examples in Town of ADUs on top of legal nonconforming basements in setbacks, resulting from an annexation. He expressed skepticism on the effectiveness of incentive structures.

Carol Gottlieb of the Environmental Design and Protection Committee commented that large ADUs are counterintuitive to affordable housing goals, and that no basement should be permitted inside of setbacks.

Resident Nick Pliam expressed frustration with his ongoing year-long ADU application and urged the Commission to resolve ordinance issues to incentivize ADU development.

DRAFT

Chair Indaco inquired about the roadblocks Nick Pliam faced. **Director Bradford** answered that Pliam's ADU project biggest constraints were fire access and parking, which have been overcome, and is now attempting to "utilize an attached ADU with a basement below which may or may not be attached to the ADU." He concluded that the project is complex and necessitated interpretation.

Vice-Chair Waschura inquired if Pliam's project would be compliant given that ADUs were permitted basements outside of setbacks. Staff responded that the basement is outside of the setback but the 1,200 square foot ADU portion above is partially in the setback.

Jitze Couperus, speaking as an individual, provided historical context on basements stating that given they were not visible basements were granted additional development opportunities by staff. Subsequent daylighted basements complicated this original assumption somewhat. Couperus provided the distinction between basements and bunkers (bunkers do not have structures directly above.)

Commissioner Junaid stated that ADUs are not permitted basements, even outside of setbacks. **Director Bradford** and **Senior Planner Fox** rebutted that the municipal code does not provide a clear answer but there is a previously mentioned section that implies basements can be permitted inside of setbacks. **Commissioner Patel** added that the section in question states that ADUs can have basements, but they count towards MFA.

Staff stated that the municipal code "is silent" on the topic of ADUs being permitted basements outside of setbacks.

Commissioner Junaid reported that nearly all current developments include ADU or SB9 units and it had proven difficult incentivizing building outside of setbacks. She suggested mimicking existing SB9 ordinance.

Commissioner Patel reiterated the importance of "fixing" ADU ordinance which would include reducing the maximum size of ADU from 1000 square feet to 800 inside of setbacks (state minimum). No basements would be allowed inside of setbacks, a basement for an ADU would be permitted outside of setbacks, but it would count toward MFA. He concluded that restricting the size of the ADUs is important.

Commissioner Bredo stated that she did not recall having any conversation stating that basements would be allowed for ADUs in general and interpreted their implied existence in the municipal code as an "accidental oversight." Overall, she does not agree with allowing basements for ADUs.

Chair Indaco added that ADUs are supposed to be somewhat affordable and basements are generally costly and agreed that ADUs should not be permitted basements.

Vice-Chair Waschura agreed with Chair Indaco and Commissioner Bredo.

Commissioner Patel clarified that this was the Planning Commission's current interpretation and the ad-hoc committee will discuss it further and may bring forth a different interpretation in the future.

Chair Indaco clarified for **Director Bradford** that if there happened to be existing bunker/basement space beneath an ADU there should be no internal connection (no internal access to basement from ADU on upper level).

Director Bradford presented a scenario wherein a single-family home was built with a basement, then a portion is converted and expanded to serve as an attached ADU. He inquired whether an internal connection to basement would be permitted in this instance, the internal connection being a holdover from the single-family dwelling's construction.

Commissioner Bredo added that attached ADUs can be connected to the main home.

The Commission stated that internal access would be permissible for Junior ADUs (conversion, not construction)

Chair Indaco stated for staff that a basement that was expanded below an ADU could not have an internal connection to the ADU above.

Ultimately the Commission urged staff to simplify the code interpretation as "ADUs do not have basements" and there should be no access, from ADU to the basement, in the case of future conversions.

Director Bradford stated that existing projects would require additional revision given this interpretation.

Commissioner Patel stated that there was a need to fix such ordinances and that communication between staff and residents suffers if the municipal code is not clear.

Commissioner Junaid suggested a delayed application of future ordinance changes/interpretations to not hinder and delay existing planning projects which were based on previous interpretations.

Commissioner Patel agreed and that it would be worthwhile communicating to current applicants that certain topics could be subject to future interpretations.

4.2 ~~Discuss and Direct Staff Regarding Housing Element Implementation~~
~~Staff: Jay Bradford, Community Development Director~~
Item removed from agenda

5.REPORTS FROM THE COMMISSIONERS
5.1 Past City Council Meeting Assignments
- April 16, 2026 – Waschura

Vice-Chair Waschura reported on the previous Council meeting noting the Title 10 Ordinance Amending ADU regulations adoption, a Housing Element progress report presentation, the formation of a Housing Element Standing Committee(no members), a referendum on Green Sheets, a discussion on outreach for project notices, Fire Hazard severity zones for mixed parcels, and a discussion on Inclusionary Housing a discussion on Councilmember salaries, a discussion on frequent surveys to residents to improve service, and a discussion on mayoral rotation.

5.2 Upcoming City Council Meeting Assignments

- April 29, 2026 – Patel
- May 21, 2026– Bredo
- June 18, 2026 – Indaco
- July16, 2026 Recess – No Meeting

All assignments were accepted by the Planning Commission.

6 REPORTS ON PAST FAST TRACK/SITE DEVELOPMENT MEETINGS

6.1 April 14, 2026

27855 Moody Road – File #SD26-0014 – Lands of Davidian
Site Development Permit for the construction of a 550 square-foot swimming pool with an attached spa and surrounding pool decking in the rear yard of an existing single-family residence.
CEQA review: Categorical Exemption per Section 15303(e) APPROVED

10701 Magdalena Road – File #SD25-0046 – Lands of Ng
Site Development Permit for landscape screening plan including outdoor lighting hardscape improvements, fence and gate associated with approved new single-family residence *(SD22-0042 – Previously Approved on February 02, 2023).*
CEQA review: Categorical Exemption per Section 15304(b) APPROVED

6.2 April 21, 2026

11035 Magdalena Avenue – File #SD25-0033 – Lands of Gujral
Site Development Permit for landscape improvements including planting, irrigation, landscape lighting, 360 cubic yards of grading (Cut/Fill), and associated hardscape improvements.
CEQA review: Categorical Exemption per Section 15304(b). APPROVED

7 COMMUNITY DEVELOPMENT DIRECTOR'S REPORT

Director Bradford reported that recruitment for an assistant planner has been scheduled as well as interviews for summer interns and that staff has met with HCD to discuss SB9 options presented by the SB9-ad hoc committee

Commissioner Patel confirmed that the SB9 discussion is about aligning SB9 and R-A zoning based on new SB-450 laws.

8 ADJOURNMENT

Chair Indaco adjourned the meeting at 10:07 P.M.

Respectfully submitted,

Marco Ahumada
Administrative Clerk/Technician

DRAFT

Town of Los Altos Hills
Planning Commission Regular Meeting
May 7, 2026, Minutes

Zoom Meeting, Town Hall, 26379 Fremont Road, Los Altos Hills, California 94022

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Chair Indaco called May 7, 2026, Planning Commission Regular Meeting to order at 6:00 p.m.

Present: Commissioner Junaid, Commissioner Patel, Commissioner Bredo, Vice-Chair Waschura, Chair Indaco

Absent:

Staff: Community Development Director Bradford, Assistant Planner Thakar, Administrative Clerk/Technician Ahumada, Assistant City Attorney Lai

2. PRESENTATIONS FROM THE FLOOR

No presentations from the floor

3. CONSENT CALENDAR

3.1. Approval of January 27th, 2026, Planning Commission Special Meeting Draft Minutes

~~3.2. Approval of April 22nd, 2026, Planning Commission Special Meeting Draft Minutes~~

Vice-Chair Waschura stated that a comment attributed to him on page 5 of item 3.1 should read "although setting good precedence is important generally, specifically, it is very important for everyone[residents/applicants/staff] to know that there is no such thing as precedence."

Commissioner Bredo noted that the property referenced as the "Fenwick property" on page 19 in the 3.1 minutes should be referred to officially by APN (Assessor's Parcel Number) or by another official alternative.

The minutes were approved unanimously as amended.

4. PUBLIC HEARINGS

4.1 Consideration of Recommendation on an Ordinance Adding Article 17 to Chapter 1 (Zoning) of Title 10 (Zoning and Site Development) of the Los Altos Hills Municipal Code to Adopt Inclusionary Housing regulations pursuant to Housing Element Program A-6. Review and adopt a resolution making a recommendation to the City Council on the proposed amendments to Title 10, Chapter 1 to adopt an inclusionary housing ordinance pursuant to Housing Element Program A-6.

CEQA Review: Exempt pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines.
Staff: Jay Bradford, Community Development Director

Staff requests continuance of item 4.1 to the June 4, 2026, Planning Commission Regular Meeting

Chair Indaco opened item 4.1 and the Commission continued the item to the following meeting in June.

Chair Indaco motioned to continue the hearing of item 4.1 to the June 4th, 2026, Planning Commission Regular Meeting.

Vice-Chair Waschura seconded the motion

(*motion language in the video ~00:07:40*)

MOTION PASSED: 5-0-0-0

AYES: Commissioner Junaid, Commissioner Bredo, Commissioner Patel, Vice-Chair Waschura, Chair Indaco
NOES:
ABSTAIN:
RECUSE:
ABSENT:

4.2 Consideration of Recommendation on an Ordinance Adding Article 18 to Chapter 1 (Zoning) of Title 10 (Zoning and Site Development) of the Los Altos Hills Municipal Code to Implement State Density Bonus Law pursuant to Housing Element Program B-3.
Review and adopt a resolution making a recommendation to the City Council on the proposed amendments to Title 10, Chapter 1, to adopt a density bonus ordinance implementing state law pursuant to Housing Element Program B-3
CEQA Review: Exempt pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines.
Staff: Jay Bradford, Community Development Director

Chair Indaco opened item 4.2 and invited staff to begin the staff report presentation.

Assistant Attorney Claire Lai began the staff report presentation.

Upon **Chair Indaco's request, Assistant AttorneyLai** clarified that RCFEs refer to Residential Care Facilities for the Elderly.

Commissioner Patel inquired about the quantity of land that would need to be donated to cities for projects to qualify for incentives, concessions or waivers. **Attorney Lai** responded that it is a certain percentage of the project's land.
Vice-Chair Waschura asked a clarifying question on the concept of local standards which "physically preclude" construction of density bonus projects. As an example, **Assistant Attorney Lai** stated that a standard setback requirement could be interpreted as physically precluding a density bonus project and therefore, could be waived, rendering the existing setback standard as inapplicable.

Chair Indaco inquired about the differences between concessions and waivers. **Assistant Attorney Lai** responded that concessions refer to nullifying existing standards to reduce project costs (reduced fees/ removed fees). Waivers refer to nullifying physical standards which impede construction like height and setbacks requirements.

Vice-Chair Waschura inquired about the specific findings the Town must undertake to deny requests. **Assistant Attorney Lai** responded that the first step is to find a specific adverse impact, "to find that there is no way to mitigate impact other than to deny a waiver" and such findings must be based on an objective written standard that was present at the time of application.

Commissioner Patel asked if traffic congestion is an appropriate and measurable adverse impact. **Assistant Attorney Lai** responded that it could be acceptable given findings were based on a previous objective standard and that there would be no "feasible" method to mitigate impact.

Vice-Chair Waschura compared usage of the terms "feasible" and "physically precludes" and inquired whether the Town would be in the position to ask that project designs be modified to meet existing standards or required to intake projects "as they are" and waive existing standards.

Assistant Attorney Lai responded that the term "*physically* precludes" is specifically tied to waivers. The Town would not be able to ask the applicant for modifications to a design which seeks to waive existing standards like height or setbacks.

Commissioner Patel inquired if noise could have an adverse impact. **Attorney Lai** responded that it could, but it would have to be determined if it is "quantifiable and significant" and whether it is "feasible to mitigate."

Assistant Attorney Lai clarified that waivers are unlimited.

Assistant Attorney Lai continued the staff report presentation.

Assistant Attorney Lai clarified for **Chair Indaco** that a density bonus eligible project must incorporate affordable units but does not have to construct the granted bonus units and will still receive benefits of waivers, concessions and parking reductions.

DRAFT

Assistant Attorney Lai confirmed for **Commissioner Patel** that the affordable units would be deed-restricted and that the Town would enforce affordability and qualifications for renting.

Assistant Attorney Lai clarified that frequent ordinance updates will not be needed, to match state law, since the proposed ordinance would absorb subsequent state law changes.
Assistant Attorney Lai continued the staff report presentation.

Assistant Attorney Lai stated that the proposed ordinance change affects the very low, low, and moderate-income categories.

In responding to **Vice-Chair Waschura**, **Assistant Attorney Lai** stated that 5% (very low income) is the lowest percentage of affordable housing necessary to trigger some amount of density bonuses.

Vice-Chair Waschura inquired if these density bonuses were applicable to all forms of zoned lots. **Assistant Attorney Lai** responded that the base development project would require at least 5 units, but the law is ultimately not clear and there is debate on whether ADUs can be counted as a 5th unit for a lot to qualify for density bonuses.

The Commission and **Assistant Attorney Lai** discussed how density bonuses may affect R-A(Residential) zones, speculating that it could allow for a maximum of two additional single-family units given that SB9 law technically allows two primary dwellings on a lot, but ultimately Lai noted that the law is unclear on this matter.

Assistant Attorney Lai clarified that while the number of units on a lot can supersede the zoning classification and trigger density bonuses, the calculation of additional units is still based on the number of units allowed under existing zoning.

Chair Indaco summarized that this proposed ordinance was adhering to state law but including a section on CUPs (Conditional Use Permit) at the local level. She stressed the importance of following up with CUPs renewals and the Commission discussed possible fees for overdue CUP renewals.

Chair Indaco stressed the importance of tracking CUPs and deliberated with the Commission on tracking, enforcement tools, and additional staffing to monitor CUPs.

Assistant Attorney Lai concluded the staff report presentation.

Vice-Chair Waschura inquired about Concessions and Waivers and wondered if either/or could be invoked to a reduce or remove standard requirements, like parking.

Assistant Attorney Lai responded yes, both Concessions and Waivers can be utilized but it is incumbent on the applicant to provide a narrative that demonstrates a financial burden for a Concession to be applied or to demonstrate a physical constraint for a Waiver to be applied.

Vice-Chair Waschura inquired how density bonuses would apply to subdivision projects, if certain resulting lots could be deed-restricted to only build an affordable unit or similar concept. **Assistant Attorney Lai** responded, "probably not" and concurred with **Commissioner Junaid t**hat a project with proposed base units is required to then determine how many bonus units are granted.

Public Comment

Resident John O'Connell stated that density bonus law does apply to subdivisions. He continued that the SB-330 application that the Town has received clearly states the number of base units, the number of deed-restricted lots. 279 base units, 5% of which will be deed-restricted (affordable housing units) which would result in a 20% density bonus. **O'Connell** referenced subsection (o) of state law, explaining that if a municipality does not use dwelling units per acre, the applicant must work with the Town to calculate site capacity based on local zoning or state law. He also added that there are recorded cases where SB9s and ADUs have been utilized in Residential lots to achieve a 5th unit and trigger density bonuses.

Commissioner Patel, again, inquired about the amount of land that would need to be donated to qualify for density bonus incentives, concessions, and waivers. **Assistant Attorney Claire Lai** explained that the Density Bonus Law includes provisions for land donations in conjunction with the development of affordable housing. To be eligible, the donated land must be part of a subdivision project, consist of at least one acre, be capable of supporting at least 40 residential units, and be zoned for multifamily residential use. She further noted that the donated land does not need to be contiguous with the project site and may be located elsewhere.

The Commission **and Assistant Attorney Lai** inquired about the applicability of language in subsection (o) number 6 and the potential need to set the maximum density bonus of an R-A zoned lot at 1 unit.

Assistant Attorney Lai clarified that encroachment into easements cannot be waived.

Commissioner Junaid added that utility easements, creeks and other similar dedications which are listed on a deed cannot be waived.

The Commission identified the need for additional staff to focus on bonus density projects.

MOTION MADE AND SECONDED: Vice-Chair Waschura proposed that the Planning Commission adopt a resolution recommending that City Council adopt the ordinance to implement Housing Element program B-3 and align with State Density Bonus Law per the attached resolution.

Chair Indaco seconded the motion

(*motion language in the video ~1:13:42*)

MOTION PASSED: 5-0-0-0

AYES: Commissioner Junaid, Commissioner Bredo, Commissioner Patel, Vice-Chair Waschura, Chair Indaco
NOES:
ABSTAIN:
RECUSE:
ABSENT:

5. NEW BUSINESS

5.1 Planning Commission recommendation for a non-voting Planning Commission appointee to the Housing Element Standing Committee

Staff: Jay Bradford, Community Development Director

No formal Staff Report

Chair Indaco opened item 5.1 and invited staff to begin the report.

Community Development Director Jay Bradford reported that Council had adopted the formation of the Housing Element Standing Committee and that applications were being accepted at the moment. The adopted charter called for 5 to 9 members of the public and one non-voting member from the Planning Commission.

Vice-Chair Waschura inquired about the limitations of the non-voting member position. **Director Bradford** responded that the schedule is unclear and whether the required member positions will be filled. He added that Council is the ultimate authority in appointing members.

The Commission inquired about procedure and the roles of the appointed non-voting liaison in and out of the Standing Committee meetings, and whether the liaison would have to excuse themselves given any conflicts of interest.

Commissioner Patel questioned why the proposed standing committee would not have a Council liaison unlike other standing committees. He found it unusual that "the most important standing committee in Town" would not have a Council Liaison.

Vice-Chair Waschura stated that it was an attempt to compartmentalize, that the Housing Element Standing Committee would still have a liaison from the Planning Commission, which hears matters related to Housing Element before Council. **Commissioner Patel** disagreed and characterized the decision as an attempt by Council to avoid a "tricky "subject.

The Commission required clarification on the role of the liaison and deliberated whether the liaison would give information to the Committee, given the Commission's expertise, or simply observe and receive information.

Rajiv Bhateja, speaking as an individual, stated that liaisons typically serve to provide information from the Council to the Committee and the Planning Commission liaison would likely do the same. He reminded the Commission that the purpose of the Housing Element Standing Committee is to serve as an opportunity for resident feedback and that the liaison would be well-positioned to guide the Committee on their charter, what is up for debate and what is not with regards to rigid state law determinations and more flexible local ordinances.

Resident Rajiv Bhateja confirmed that the Housing Element Standing Committee members would have to undergo Brown Act training. He confirmed for **Chair Indaco** that Council acknowledges that additional support from the Town's legal team would be needed for the Committee.

Commissioner Junaid suggested outreach to residents with legal backgrounds, particularly in land use law, for their participation in the Housing Element Standing Committee.

Vice-Chair Waschura suggested utilizing Assistant City Attorney Claire Lai's services instead.

Chair Indaco urged very prominent Housing Element resident-advocates to join the Housing Element Committee.

Vice-Chair Waschura stressed the importance of communicating to the Committee, that their role is advisory and that the Planning Commission and Council are not bound to the decisions of the Committee.

Chair Indaco suggested that the Committee reach out to the offices of California State Senator Josh Becker and Assembly Member Marc Berman.

Commissioner Patel summarized the discussion and proposed that the Committee would necessitate unique budgetary requirements as well. He then argued for a rotation of committee members because he predicted that the Housing Element Committee would remain for decades, as opposed to years.

Vice-Chair Waschura identified two action items, discussing and selecting the liaison that evening or waiting until the Committee is formed and then returning the item to the Planning Commission for liaison selection.

Director Bradford reiterated that there are 5 to 9 seats to fill for the Housing Element Committee and depending on the final count he predicted that this item could return in either June or August for selection of the Planning Commission liaison.

Chair Indaco suggested selecting a primary and secondary liaison to mitigate scheduling conflicts and the Commission agreed. **Commissioner Patel** proposed that the Primary Liaison be officially selected by the Council and the secondary liaison unofficially by the Planning Commission.

Commissioner Junaid noted that liaison selection would have to be put on hold given that the Committee meeting time is still uncertain.

Commissioner Patel summarized that the Planning Commission is supportive of selecting a liaison to the Housing Element Committee, that the liaison position will be rotated amongst Commissioners, and that the liaison will be selected when more Committee details are confirmed.

Director Bradford argued against selecting an alternate or secondary liaison given that it is not mentioned in the charter. **Commissioner Patel** rebutted that the alternate position would not be official and that a commissioner would be attending as a member of the public if the liaison could not attend. **Director Bradford** stated that staff do not have any comment in response.

Public Comment
Rajiv Bhateja, speaking as an individual, stated that he anticipates Committee formation later in the year, not early August. The Commission agreed, predicting September or October.

In responding to **Vice-Chair Waschura, Rajiv Bhateja** reported that he is not aware of any restriction barring a Planning Commissioner from applying to the Housing Element Standing Committee as a member. He affirmed that a standing committee member from a different Committee could join the Housing Element Committee.

Director Bradford informed the Commission that the deadlines and materials that come before staff as they relate to the schedule of the Housing Element should be the focus of the Committee. He added that there are moments when alternative ideas can be discussed but ultimately the Committee should be working in concert toward Housing Element implementation.

Director Bradford confirmed that there will be dedicated staff working with the Committee and that the Community Development Department will be supportive via the Town's legal services.

Chair Indaco added that it would be ideal to have the Committee established to assist with the upcoming topic of duplexes and triplexes (A12 Program). **Director Bradford** added that the deadline for implementation is the first quarter of 2027

6 ONGOING BUSINESS

6.1 Discuss and Direct Staff Regarding Housing Element Implementation

Staff: Jay Bradford, Community Development Director

Chair Indaco presented the item 6.1.

Director Bradford reported on past Housing Element activity stating that Council had recently approved Planning Commission's recommendation related to lot coverage, unit size, floor area ratio and building height. Council recommended the body of the motion with one exclusion, which was to seek an alternative minimum acreage to the subject sites, due to conflicts with state

laws. Staff was further directed by Council to communicate with HCD (California Department of Housing & Community Development) to seek clarification on whether minimum lot size can be modified. Response from HCD was pending although there is indication HCD prefers a 0.5 FAR (Floor Area Ratio).

Commissioner Patel noted that Item 4.1 (Inclusionary Housing) is set to return in June and wondered what other Housing Element programs are forthcoming after June. **Director Bradford** responded that the Multifamily Subdivision Ordinance is likely the next focus item and that the A12 program (duplexes and triplexes) will likely be heard in August. **Commissioner Patel** suggested that two meetings will be necessary to adequately discuss program A12, starting with a study session.

Director Bradford reported that discussions on SB9 and ADU ordinances are forthcoming.

7. REPORTS FROM THE COMMISSIONERS

7.1Past City Council Meeting Assignments

- April 29, 2026 – Patel

Commissioner Patel reported on a brief April Council meeting with a singular item and no public comments. The singular item was the adoption of Planning Commission's recommendation related to the Housing Element as reported by Director Bradford. Patel added that, prior to the meeting, staff and Vice-Chair Waschura had discovered a state law which allows up to 1.2 FAR for 5-acre lots, significantly more than the .45 FAR discussed in the previous Planning Commission meeting. As a result, The Commissioners recommended an increase of the 0.5-acre minimum to 0.75 acres. However, Council moved forward with the original 0.5-acre recommendation in the interest of time.

7.2 Upcoming City Council Meeting Assignments

- May 15, 2026, Budget Meeting – No Assignment
- ~~May 21~~ May 14, 2026– Bredo
- June 18, 2026 – Indaco
- July16, 2026 Recess – No Meeting

Commissioner Bredo requested to trade her Council Meeting assignment on May 14, and **Commissioner Junaid** agreed.

The Commission advised **Commissioner Junaid** that presenting at Council meetings is a good opportunity to update the Council on Planning Commission matters, including informing them about the liaison discussion.

8.REPORTS ON PAST FAST TRACK/SITE DEVELOPMENT MEETINGS

8.1.April 28, 2026

CANCELLED

DRAFT

8.2.May 5, 2026
12291 Barley Hill Road – File #SD25-0051 – Lands of Kohli & Bhasin
Site Development Permit for a 1,351-square-foot addition to an existing 3,649 square foot single-family residence, resulting in a total of 5,000 square feet, and associated hardscape improvements; project includes removal of one (1) non-heritage-oak tree.
CEQA review: Categorical Exemption per Section 15301(e).

13867 Robleda Road – File #SD25-0049 – Lands of Kurmann
Site Development Permit for landscape screening plan including modification to exterior building lighting, hardscape improvements, fence and gate associated with approved new single-family residence (SD22-0086 – Previously Approved on May 02, 2023).
CEQA review: Categorical Exemption per Section 15304(b)

Director Bradford reported that projects for 8.2 were approved.

9. COMMUNITY DEVELOPMENT DIRECTOR'S REPORT

Director Bradford reported that the Council Chambers would be utilized as a voting center close to the Regular Planning Commission meeting time and there is a need to select an alternate meeting date. The Commission and staff deliberated possible dates.

The Commission requested that Staff send a scheduling poll to determine an alternative date for the July Planning Commission meeting.

MOTION MADE AND SECONDED: Chair Indaco proposed a motion to move the regularly scheduled Planning Commission from June 4th to June 8th, with the condition that it can be re-scheduled again should circumstances change.

Vice-Chair Waschura seconded the motion

(*motion language in the video ~2:02:35*)

MOTION PASSED UNANIMOUSLY.

Director Bradford reported that two summer interns were recruited and were set to start in June. The second round of interviews for the Assistant Planner position will take place in early June and staff are optimistic about the candidates.

Director Bradford informed the Commission that typically it takes a month for a candidate to start, after selection. He added that depending on Council's direction there may be a recruitment for a Principal Planner or Planning Manager.

Commissioner Junaid inquired whether staff had considered hiring an employee specifically for the Housing Element tasks. **Director Bradford** responded that staff's goal for the Principal Planner is that they are able to pivot effectively from long term and short-term planning tasks.

10.ADJOURNMENT

Chair Indaco adjourned the meeting at 8:09 PM.

Respectfully submitted,

Marco Ahumada
Administrative Clerk/Technician

DRAFT

THE TOWN OF LOS ALTOS HILLS August 6, 2026
Staff Report to the Planning Commission

SUBJECT: **Unaddressed La Barranca Road (APN 182-05-034) – File #SD25-0072, VAR25-0016 – Lands of Vangala & Tokala**
Request for: (1) Site Development Permit for the construction of a 4,584 square-foot, two-story single-family residence with attached garage, a 793 square-foot attached Accessory Dwelling Unit (ADU), 999 square-foot attached SB 9 unit, and associated hardscape and site improvements; (2) Variance to permit a driveway width exceeding the maximum 14 feet; (3) a Grading Policy Exception to allow excavation exceeding the maximum cut thresholds for driveways; and (4) Williamson Act compatibility determination, as the property is subject to a Williamson Act contract for agricultural land conservation.
CEQA review: Categorical Exemption per Section 15303(a)

FROM: Jonathan Fox, Senior Planner JF

APPROVED: Jay Bradford, Community Development Director J.B.

RECOMMENDATION: That the Planning Commission take one of the following actions:

1. Adopt a resolution (Attachment 1) recommending that the City Council:
    a. Find the project categorically exempt from CEQA pursuant to Section 15303(a);
    b. Consider whether the Town should continue supporting the Williamson Act Contract for the subject property and, if the City Council determines that continued enrollment is no longer appropriate, direct staff to initiate the Williamson Act nonrenewal process pursuant to Government Code Section 51245;
    c. Determine that the proposed project is consistent with the principles set forth in Government Code Section 51238.1 and is compatible with the property's existing Williamson Act Contract; and
    d. Approve the Site Development Permit and all associated project entitlements, subject to the attached Conditions of Approval.

2. Continue the project to a date certain and direct staff to prepare a resolution recommending that the City Council deny the project.

PLANNING COMMISSION JUNE 8, 2026, MEETING SUMMARY

On June 8, 2026, the Planning Commission reviewed the project, conducted a public hearing, received public testimony, and provided direction to the applicant. The Commission voted 4-0-1 (one recusal) to continue the project to a date uncertain to allow staff to provide additional information regarding the Williamson Act, obtain the Open Space Committee's recommendations, and allow the applicant to address comments related to site development.

Following the continuance, staff provided the Planning Commission with additional information regarding the Williamson Act, including applicable provisions of State law and resources prepared by the California Department of Conservation. The project was also reviewed by the Open Space Committee on June 10, 2026, which provided a recommendation regarding the proposed open

space easement. In response to the Planning Commission's site development comments, the applicant submitted revised plans addressing project design and site development considerations.

Based on the revised plans, the project no longer requires a Variance to exceed the property's Maximum Development Area. The project continues to require approval of a Site Development Permit, a Variance to allow a driveway width exceeding the maximum permitted 14 feet, a Grading Policy Exception to allow excavation exceeding the maximum cut thresholds for driveways, and a Williamson Act compatibility determination because the property is subject to a Williamson Act contract for agricultural land conservation.

This staff report provides an analysis of the additional information and project revisions received following the initial public hearing. The staff report prepared for the June 8, 2026, Planning Commission meeting is included as Attachment 3 and provides the background analysis for the Variance and Grading Policy Exception requests, as well as the standard site design review topics, including architecture, grading and drainage, lighting, landscaping, and related site improvements.

APPLICANT RESPONSE TO COMMENTS

Topic	**Response**
Carport/Parking	Relocated two required parking spaces outside of the covered area. Carports removed from scope and replaced with covered patio.
Floor Area	Reduced project scope to 4,683 square feet of Proposed Floor Area. Previously at 4,810 where 5,000 square feet is the MFA.
Development Area	Reduced project scope by 553 square feet to a total of 7,495 of Proposed Development Area. Previously at 8,048 where 7,500 square feet is the MDA. Project no longer requests a Variance to Exceed MDA.
Swimming Pool	Removed from project scope. Decreases Proposed Development Area and allows retention of 3 additional heritage oaks.
Building Height	Modified skylight to comply with 27-foot building height limit.
Williamson Act/Agricultural Use	Revised Farming and Business Operations Plan (Attachment 10) from extensive vegetable farming areas to limited vegetable farming, chicken farming, and open space preservation.
Light Spill Mitigation	Incorporated automatic shades beneath courtyard glass ceilings.

Williamson Act Consideration

The Williamson Act Contract for this property was approved by the City Council in 1972 (Attachment 9). Before considering whether the proposed project is compatible with the existing Williamson Act Contract, staff believes the City Council should first determine whether the Town continues to support the property's long-term enrollment under the Williamson Act. This is a legislative policy determination that is separate from the evaluation of the proposed development project.

The Williamson Act is intended to preserve agricultural and open space lands through long-term contracts between property owners and local governments. Government Code Section 51245 authorizes either the property owner or the local government to initiate nonrenewal of a Williamson Act Contract. Nonrenewal does not immediately terminate the Contract. Rather, it prevents the Contract from automatically renewing each year, allowing the remaining term to run until expiration while the property remains subject to all Williamson Act restrictions and continues to receive the associated property tax benefits.

Staff believes there are policy considerations that warrant the City Council evaluating whether continued enrollment of the property remains appropriate. Although the property has historically been used for open space purposes, the proposed project would establish a long-term residential development pattern through construction of a new primary residence, an accessory dwelling unit, and associated site improvements. While the purposed project adds agricultural activities and preserves portions of the property through an open space easement, staff believes the City's long-term policy objective of maintaining this property under a Williamson Act Contract should be evaluated before considering the development proposal. If the City Council determines that continued enrollment is no longer appropriate, it may direct staff to initiate the statutory nonrenewal process pursuant to Government Code Section 51245 and schedule the required public hearing, at which the property owner and other interested parties may provide testimony regarding the proposed nonrenewal.

If the City Council determines that the Williamson Act Contract should remain in effect, or if it directs initiation of the nonrenewal process, the existing Contract will continue to govern the property until its expiration. Accordingly, the City Council must then determine whether the proposed project is compatible with the existing Contract and satisfies the requirements of Government Code Section 51238.1 before taking action on the requested Site Development Permit and related project entitlements.

The Williamson Act Contract identifies agriculture, open space uses, primary dwellings, and secondary dwellings, among others, as compatible uses. The proposed project includes these compatible uses: a primary dwelling, an accessory dwelling unit, land to be preserved as open space through an open space easement, and agricultural uses consisting of chicken farming for egg production and the sale of vegetable and potted plants. The proposed accessory dwelling unit is considered a secondary dwelling consistent with the compatible uses identified in the Contract. Furthermore, the project does not propose any structures or uses beyond those identified as compatible uses under the Contract.

In addition to confirming that the proposed uses are identified as compatible uses under the Contract, staff evaluated whether the proposed development is consistent with the preservation purposes of the Williamson Act. Unlike other local jurisdictions, such as Santa Clara County, the Town of Los Altos Hills does not have separate published Williamson Act compatibility guidelines beyond the restrictions and permitted uses identified in individual contracts. Santa Clara County's Williamson Act compatibility guidelines apply only to properties within unincorporated Santa Clara County and do not apply within the incorporated Town of Los Altos Hills. Accordingly, staff evaluated the project based on the specific terms of the Contract, the Town's applicable R-A zoning and development standards, and the requirements of the Williamson Act.

Government Code Section 51238.1 requires that uses approved on contracted lands be consistent with certain principles, including that the use does not significantly compromise the agricultural capability of the contracted parcel, does not displace current or reasonably foreseeable agricultural operations on the parcel, and does not result in the significant removal of adjacent contracted land from agricultural or open space uses. Staff has evaluated the proposed project against these criteria and prepared findings in Attachment 1 concluding that the project is consistent with the Williamson Act. Specifically, the project maintains agricultural uses on the property, preserves open space through the proposed open space easement, and does not result in impacts that would compromise the agricultural or open space purposes of the Contract.

In response to the Planning Commission's request for additional information regarding the Williamson Act, staff provided resources from the California Department of Conservation, including an overview of the Williamson Act, statutory references from the California Government Code, and a presentation regarding compatible uses. These materials are included as Attachments 11, 12, and 13.

Town Committee Reviews

Open Space Committee (OSC)
The Open Space Committee discussed the project at its June 10, 2026, meeting, where it recommended requiring an open space easement dedication as follows: *"OSE in a u-shape over the majority of slopes > 30%, similar to diagram presented at the meeting. The small bits of steep slopes near the proposed septic tank would be excluded. The existing slope easement along La Barranca would be excluded."*. The June 10, 2026 OSC Meeting Minutes are included as Attachment 8.

The Open Space Committee's recommendation was independent of the location of the proposed building. The Committee noted that any deviation from its recommendation would be within the Planning Commission's purview. The only areas greater than 30% that were excluded in the recommendation are the steep slopes near the proposed septic tank and the existing slope easement adjacent to La Barranca Road.

The applicant proposes an open space easement, as shown on Sheet A1.02. Unlike the Open Space Committee's recommendation, the applicant's proposal excludes slopes greater than 30% located within the proposed building footprint.

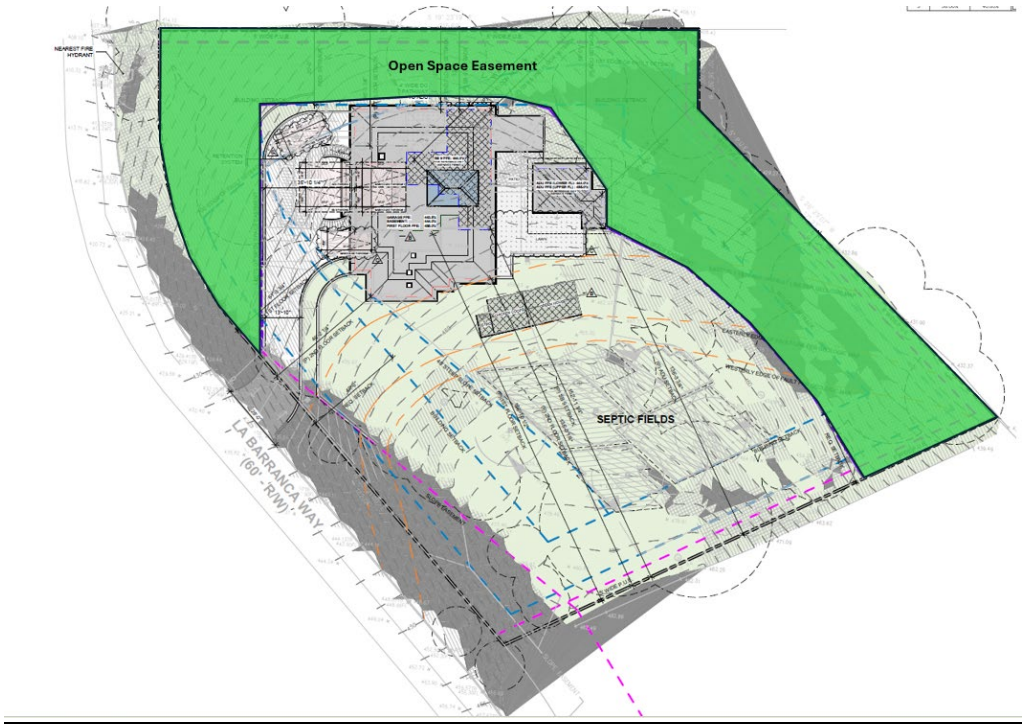


Figure 1. Proposed Site Plan. Source: Applicant. Markup by Staff.

Conclusion

The project complies with the applicable site development standards for new residences, including maximum floor area, maximum development area, setbacks, building height, and off-street parking. The project does not comply with the maximum driveway width standard; however, staff has prepared findings supporting approval of the requested Variance. Staff has also prepared findings supporting approval of the requested Grading Policy Exception and concluding that the proposed project is compatible with the requirements of the Williamson Act and the existing Williamson Act Contract.

Because the property is subject to a Williamson Act Contract, the proposed project requires review by both the Planning Commission and the City Council. The Planning Commission is requested to review the application and forward recommendations to the City Council regarding:

- Site Development Permit;
- Variance;
- Grading Policy Exception;
- Whether the Town should continue supporting the property's enrollment under the Williamson Act or direct staff to initiate the statutory nonrenewal process pursuant to Government Code Section 51245; and
- Whether the proposed project is compatible with the existing Williamson Act Contract and satisfies the requirements of Government Code Section 51238.1.

NOTICING/PUBLIC OUTREACH

The Public Hearing was noticed as follows:

- Mailing to property owners who own property within a 500-foot radius – July 24, 2026

- Posted at the project site – July 24, 2026
- Public Posting Places – July 24, 2026
- Town Website: www.losaltoshills.ca.gov – July 31, 2026

Staff has received several public comments regarding the proposed project, which are included as Attachment 2. Any additional public comments received after publication of this staff report and prior to the August 6, 2026, Planning Commission meeting will be provided to the Commission as a supplement to the published staff report.

A petition was submitted to the Town raising several concerns and questions regarding the proposed project. The petition, which included 50 signatures, was submitted to Town Hall and subsequently forwarded to the applicant. Staff encouraged the applicant to prepare a response and engage in dialogue with the petitioners regarding the concerns raised. The applicant's response to the petition is included as Attachment 6 and was distributed to commenters and petitioners who provided contact information.

Additionally, staff met with approximately 10 residents who expressed concerns regarding the project to review the revised plans and discuss the applicant's justification for Williamson Act compatibility. Staff is not aware of whether additional discussions between these residents and the applicant occurred following distribution of the applicant's response.

ENVIRONMENTAL REVIEW

The proposed new residence is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15303(a), which allows for new construction or conversion of a single-family residence.

ATTACHMENTS

1. Resolution
2. June 8, 2026, Planning Commission Staff Report
3. June 8, 2026, Planning Commission Recorded Meeting [LINK]
4. Public Comment
5. Applicant Response to Petition
6. Environmental Design and Protection Committee Report, dated May, 2026
7. Open Space Committee Minutes, dated June 10, 2026
8. Williamson Act Contract
9. Farming Operation and Business Plan
10. Williamson Act Overview – CA Department of Conservation [LINK]
11. Williamson Act Statutory References – CA Department of Conservation [LINK]
12. Williamson Act & Compatible Use Presentation – CA Department of Conservation
13. Worksheet 1-2 prepared by Applicant
14. Project Plans – *Planning Commission only*

RESOLUTION PC _-26

RESOLUTION OF THE PLANNING COMMISSION OF THE TOWN OF LOS ALTOS HILLS RECOMMENDING TO THE CITY COUNCIL ADOPTION OF A CATEGORICAL EXEMPTION DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA") AND APPROVAL OF A SITE DEVELOPMENT PERMIT AND VARIANCE FOR A NEW SINGLE-FAMILY RESIDENCE AND ASSOCIATED IMPROVEMENTS AT APN 182-05-034 AND IMPOSING CERTAIN CONDITIONS OF APPROVAL

WHEREAS, on November 10, 2025, the Town of Los Altos Hills received an application for a Site Development Permit (SD25-0072) from the property owners, Naveen Vangala and Shalini Tokala, for a new single-family residence, and associated improvements at a vacant, unaddressed parcel on La Barranca Road (APN 182-05-034) ("Project"); and

WHEREAS, the subject property is enrolled in a Williamson Act contract and is designated for agricultural land conservation pursuant to the California Land Conservation Act of 1965; and

WHEREAS, the subject property contains steep slopes and an active fault trace that create physical constraints on the property and limit the feasible area for development.

WHEREAS, on February 24, 2026, the property owner, Naveen Vangala and Shalini Tokala, applied for a variance to exceed the maximum driveway width and to exceed Maximum Development Area; and

WHEREAS, based on the record presented before it, the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15303(a) as the project scope includes construction of a new single-family residence; and

WHEREAS, the project application was processed in accordance with the applicable provisions of the California Government Code and the Los Altos Hills Municipal Code; and

WHEREAS, the Planning Commission held a duly noticed public hearing on the project on June 8, 2026, and considered all evidence, testimony, written documentation, and public comments; and voted 4-01-1 (one recusal) to continue the project to a date uncertain to allow staff to provide additional information regarding the Williamson Act, obtain the Open Space Committee's recommendations, and allow the applicant to address comments related to site development; and

WHERAS, on June 10, 2026, the Open Space Committee reviewed the project and provided a recommendation on the requirement for open space easement dedication; and

WHEREAS, on July 9, 2026, the applicant submitted project revisions in response to Planning Commission received on June 8, 2026, such that the project no longer requires a Variance to exceed the Maximum Development Area; and

WHEREAS, staff evaluated the project's consistency with the Williamson contract recorded for the property in 1972, determining that the proposed uses including agricultural operations, open

space preservation, and both primary and secondary dwellings constitute compatible uses under the Contract; and

WHEREAS, the Planning Commission has considered whether the Town should continue supporting the property's enrollment under the Williamson Act and recommends that the City Council determine that continued enrollment under the Williamson Act remains appropriate; and

WHEREAS, the Planning Commission has reviewed the findings contained in Exhibit A, including the findings that the proposed project is compatible with the existing Williamson Act Contract and consistent with the requirements of Government Code Section 51238.1, and recommends that the City Council adopt those findings; or

WHEREAS, the Planning Commission has considered whether the Town should continue supporting the property's enrollment under the Williamson Act and recommends that the City Council determine that continued enrollment under the Williamson Act is no longer appropriate and direct staff to initiate the Williamson Act nonrenewal process pursuant to Government Code Section 51245; and

WHEREAS, the Planning Commission has reviewed the findings contained in Exhibit A, including the findings that the proposed project is compatible with the existing Williamson Act Contract and consistent with the requirements of Government Code Section 51238.1, and recommends that the City Council adopt those findings; and

NOW, THEREFORE, based on the entirety of the record before it, the Planning Commission of the Town of Los Altos Hills hereby recommends the City Council find that the Project is exempt from CEQA pursuant to CEQA Guidelines Section 15303(a); and approve the Site Development Permit and Variance subject to the findings and conditions contained in Exhibits "A" and "B" and incorporated herein by reference.

The above and foregoing Resolution was passed and adopted by the Planning Commission of the Town of Los Altos Hills at a regular meeting held on the 6th day of August 2026 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

By: _____
Jim Waschura, Chair

ATTEST:

_____
Jay Bradford, Community Development Director

EXHIBIT A

FINDINGS

Lands of Vangala & Tokala – APN 182-05-034 – File# SD25-0072, VAR25-0016

1. With regard to the Site Development Permit (SD25-0072) and Variance (VAR25-0016) to encroach into the required 40-foot front yard setback, the City Council finds in accordance with Section 10-1.1007(2) of the Los Altos Hills Municipal Code as follows:

   a. *Because of exceptional or extraordinary circumstances applicable to the subject property, including size, shape, topography, location, or surroundings, the strict application of the ordinance is found to deprive the property of privileges enjoyed by other properties in the vicinity and under identical zoning classifications:*

      The 1.164-acre vacant parcel is significantly constrained by challenging topography. The site contains steep slopes averaging 35 percent, with the frontage along La Barranca Road exhibiting much steeper grades. In addition, an active fault trace bisects the property, further limiting the available building area and site design options.

   b. *That upon granting of the Variance, the intent and purpose of the ordinance will still be served, and the recipient of the Variance will not be granted special privileges not enjoyed by other surrounding property owners:*

      The requested Variance to exceed the maximum driveway width is permissible under the Municipal Code when exceptional or extraordinary circumstances are present. In this case, the intersecting drainage channels significantly constrain the developable portion of the site, resulting in only a small fraction of the overall lot being suitable for access and improvements. These physical constraints constitute an exceptional circumstance warranting relief. Furthermore, granting the Variance does not confer a special privilege, as similar Variances may be considered for other properties that experience comparable site-specific constraints.

   c. *That granting the Variance will not be materially detrimental to the public welfare or injurious to the property, improvements or uses within the immediate vicinity and within the same zoning district;*

      The requested variance will not be materially detrimental to the public welfare or injurious to nearby properties, improvements, or uses within the immediate vicinity or the R-A zoning district. The variance is limited to allowing a driveway width of 28 feet at the entrance from La Barranca Road, after which the driveway narrows to the code-compliant width of 14 feet. The increased width is necessary to accommodate emergency vehicle access and turning movements, thereby enhancing public safety rather than creating adverse impacts.

   d. *That the Variance will not allow a use or activity which is not expressly authorized by the Zoning Ordinance:*

      Grant of a Variance to exceed the maximum width for the driveway and exceed the Maximum Development Area for the property will allow for the construction of a single-family residence, swimming pool, SB 9 unit, ADU, chicken coop, and greenhouse which are permitted uses and structures in the Residential-Agriculture Zoning District.

2. Under the Williamson Act (Government Code Section 51200 et seq.), the City Council may approve uses consistent with the Act upon evaluation of compatibility and impacts on non-Williamson Act contract lands. Section 51238.1 requires that approved uses on contracted lands must be consistent with all of the following principles of compatibility and requires the City Council to make consistency findings accordingly:

    a. The use will not significantly compromise the long-term productive agricultural capability of the subject contracted parcel or parcels or on other contracted lands in agricultural preserves.
    b. The use will not significantly displace or impair current or reasonably foreseeable agricultural operations on the subject contracted parcel or parcels or on other contracted lands in agricultural preserves. Uses that significantly displace agricultural operations on the subject contracted parcel or parcels may be deemed compatible if they relate directly to the production of commercial agricultural products on the subject contracted parcel or parcels or neighboring lands, including activities such as harvesting, processing, or shipping.
    c. The use will not result in the significant removal of adjacent contracted land from agricultural or open-space use.
    d. In evaluating compatibility, the council shall consider the impacts on noncontracted lands in the agricultural preserve or preserves.

Staff has evaluated the Proposed Project (File #SD25-0072) at 0 La Barranca Road (APN 182-050-034) and has determined that the Proposed Project is a use consistent with the Act. Staff recommends City Council make the findings of compatibility as outlined below.

a. The use will not significantly compromise the long-term productive agricultural capability of the subject contracted parcel or parcels or on other contracted lands in agricultural preserves.

The proposed project will not significantly compromise the long-term productive agricultural capability of the property because it will enable agricultural activity. The 1.164-acre property is presently vacant. Based on City Council minutes dated January 17, 1972, the property has been under a Williamson Act Contract in the Town of Los Altos Hills since 1972 but there is no evidence of previous or current agricultural use on site. Approval of the project will enable agricultural use in the form of a small business selling potted plants and chicken eggs. These activities are consistent with the agricultural purpose of the contract and are unlikely to impair the productive agricultural capability of the parcel or other contracted lands. The owners would germinate vegetable and specialty plants in greenhouse trays. The owners would also raise chickens in mobile, wheeled coops and rely on feed and ground foraging. These suggest a less intensive impact on long-term productive agricultural capability than more intensive farming options such as crops and livestock.

Approximately 30% of the parcel will be protected through an open space easement. Because the easement is limited to areas consisting of steep slopes with little to no agricultural productivity, it preserves open space consistent with the purposes of the Williamson Act without significantly compromising the parcel's long-term agricultural capability. Additionally, “compatible use” is defined under Government Code section 51201 as any use determined by the county or city administering the Williamson Act preserve to be compatible with the agricultural, recreational, or open-space use of land within the preserve and subject to contract. “Compatible use” includes agricultural use, recreational use or open-space use unless the City Council specifically finds such is not compatible. Thus, based on statutory interpretation, open space preservation is already considered to be a compatible use with a property subject to the Williamson Act contract. Additionally, the remainder of the parcel would be dedicated for a driveway, single-family home, an SB 9 unit, an accessory dwelling unit, and other accessory uses. These residential uses are

allowed by right under state law. On site residence would allow for more capability to manage agricultural operations. Therefore, the proposed project will not compromise the long-term productive agricultural capability of the subject parcel or other contracted lands.

b. *The use will not significantly displace or impair current or reasonably foreseeable agricultural operations on the subject contracted parcel or parcels or on other contracted lands in agricultural preserves.*

The proposed project will not significantly displace or impair current agricultural operations on the subject contracted parcel or nearby contracted lands because there are no other agricultural operations on the subject parcel or nearby parcels. The proposed project is also not likely to significantly displace or impair reasonably foreseeable agricultural operations because the proposed project creates an incentive for the owner to maintain the contract rather than request a cancellation or nonrenewal, thereby preserving the opportunity for future agricultural operations. The proposed operations are not of a scale that diminishes or prevents other agricultural uses or production, should they exist, nor do the proposed operations have the potential to do so.

Moreover, all adjacent properties are already developed with residential uses and are not under Williamson Act Contracts. The property proposes residential uses that are allowed by right pursuant to state housing law provisions. Therefore, the proposed project will not significantly displace or impair current agricultural operations on the subject parcel or nearby contracted lands.

c. *The use will not result in the significant removal of adjacent contracted land from agricultural or open-space use.*

The proposed project will not result in the significant removal of adjacent contracted land from agricultural or open-space use because there are no other contracted lands nearby. All adjacent properties are already developed with residential uses and are not under Williamson Act Contracts. Therefore, the proposed project will have no impact on any adjacent contracted land.

d. *In evaluating compatibility, the council shall consider the impacts on noncontracted lands in the agricultural preserve or preserves. There are no facts indicating that the proposed project would have an adverse impact on other noncontracted lands in the R-A zone.*

The proposed project would introduce new activity on the project site compared to existing conditions, as the site is currently undeveloped and inactive. As a result, adjacent noncontracted properties would experience exposure to construction activities associated with the residential buildings, greenhouse, and other facilities supporting potted plant cultivation, as well as the ongoing operation of the proposed chicken coops.

These activities, however, are consistent with the types of uses commonly found within the R-A zoning district. The construction and operation of single-family residences and agricultural or farming-related facilities are permitted within the district and are compatible with its intended character. The project owners plan to raise a specific breed of chicken selected in part to minimize noise impacts and have prior experience operating a small-scale farming business, which indicates their ability to manage the proposed agricultural activities responsibly and with minimal effects on neighboring properties.

The proposed residential development consists of uses that are permitted by right under state law and are consistent with the purpose and intent of the R-A zoning designation, which allows both residential and agricultural uses. In addition, all construction activities would be required to

comply with applicable building, safety, and noise standards established by the Town's ordinances and codes.

Accordingly, while the proposed project would introduce new activity to the site and could result in some effects on adjacent noncontracted lands, those effects are expected to be minor and consistent with the established land use pattern and regulatory framework of the surrounding area.

EXHIBIT B

CONDITIONS OF APPROVAL
Lands of Vangala & Tokala – APN 182-05-034 – File# SD25-0072, VAR25-0016

PLANNING:

1. **No other modifications to the approved plans submitted on July 9, 2026, are allowed except as otherwise first reviewed and approved by the Community Development Director or the Planning Commission, depending on the scope of the changes.**

2. All conditions of approval shall be printed on plans submitted for building permit plan check.

3. The project is subject to the Town's Construction Time Limit Ordinance (Chapter 10, Title VIII of the Municipal Code). The maximum time for completion of the project shall be set by said policy and run from date of Building Permit issuance. Any extensions to the time for completion shall be subject to said policy. Failure to complete the project in the allotted time with approved extensions may result in substantial penalties and fees per the policy.

4. *As an ongoing condition of approval*, the property owner shall coordinate with staff on the location of any proposed above-ground utilities (i.e. transformers). Such equipment shall comply with the standard setbacks in the R-A Zoning District.

5. Exterior finish colors of all buildings shall have a light reflectivity value of 50 or less and roof materials shall have a light reflectivity value of 40 or less, per manufacturer specifications. All color samples shall be submitted to the Community Development Department for approval *at time of submittal for building plan check.* All applicable structures shall be painted in conformance with the approved color(s) *prior to final inspection*.

6. The property owner shall remove all Stinkwort from the entire property and in the road right-of-way by manual pulling or use of herbicide by September 1st of each year until the final approval of the project.

7. Roof eaves of all structures shall not encroach into the required side and rear yard setbacks. The roof eaves shall be shown on the site and civil plans in the construction drawings.

8. No new fencing is approved with this site development permit. Any additional or modified fencing or gates shall require review and approval by the Community Development Department with the required landscape screening plan and *prior to installation.*

9. All exterior lighting fixtures shall be down directed or shielded non-movable fixtures and shall not exceed 3,000 Kelvins and 600 lumens. Exterior lighting on the new residence is approved as shown on the plans. Any changes to the approved lighting plan shall be approved by the Community Development Department *prior to installation*. No lighting may be placed within setbacks except that a total of two lights can be located at one of the following locations; driveway or entry.

10. Standard swimming pool conditions:
    a. Lights shall be placed beneath the surface of the water in the pool or spa.
    b. Lights shall be placed such that light shines away from neighboring properties.
    c. A maximum of four lights are allowed for pools and spas combined.
    d. Drainage outfall structures shall be constructed and located to the satisfaction of the City Engineer.
    e. Equipment shall be enclosed on all four sides for noise mitigation and screening.
    f. Noise from pool equipment shall not exceed 40dB at nigh time and 50dB during day time.

11. Skylights, if utilized, shall be designed and constructed to reduce emitted light (tinted or colored glass, shade, or other material). No lighting may be placed within skylight wells.

12. Fire retardant roofing (Class A) is required for all new construction.

13. All space heating and water heating systems installed in new residences, detached habitable buildings, and/or projects involving a *substantial remodel* shall comply with Los Altos Hills Municipal Code Sections § 8-1.6.02 and § 8-1.10.02.

14. All construction shall comply with the applicable California Green Building Standards Code, Part 11, Title 24 mandatory measures in effect at the time of building permit application. The property owner shall provide a CALGreen Residential Checklist demonstrating conformance with all applicable mandatory measures *at time of building permit submittal*.

15. All construction shall comply with the 2025 California Wildland Urban Interface Code.

16. ***Prior to building permit issuance*, the property owner shall provide an acoustical analysis prepared by a qualified acoustical consultant due to the site's location within an elevated noise contour identified in the Town's General Plan Noise Element. Any recommended noise attenuation measures necessary to achieve applicable interior noise standards shall be incorporated into the building plans prior to issuance of a building permit, subject to review and approval by the Community Development Director.**

17. ***Prior to building permit issuance,* staff shall initiate the process to nonrenew the Williamson Act Contract applicable to the property pursuant to Government Code Section 51245. Staff shall prepare the Notice of Nonrenewal, schedule a public hearing before the City Council to consider the proposed nonrenewal and receive testimony from the property owner and other interested parties, and record the Notice of Nonrenewal following the City Council's action.**

18. *Prior to building permit issuance*, the property owner's Geotechnical Consultant shall review and approve all geotechnical aspects of the project building and grading plans (i.e., site preparation and grading, site surface and subsurface drainage improvements, and design parameters and layouts for foundations, retaining walls, swimming pools, etc.) to ensure that their recommendations have been properly incorporated. The results of the geotechnical plan review shall be summarized by the Geotechnical Consultant in a letter and submitted to the Town prior to issuance of building permits.

19. *Prior to beginning any construction or grading operation*, all significant trees, particularly any heritage oak trees, are to be fenced at the drip line. The fencing shall be of a material and structure (chain-link) to clearly delineate the drip line. Town staff must inspect the fencing and the trees to be fenced prior to commencement of any grading. The property owner shall call for said inspection at least three days in advance of the inspection. The fencing must remain throughout the course of construction. No storage of equipment, vehicles or debris shall be allowed within the drip lines of these trees. Existing perimeter plantings shall be fenced and retained throughout the entire construction period.

20. *After completion of rough framing or at least six (6) months prior to scheduling a final inspection*, the applicant shall submit landscape screening and erosion control plans for review by the Planning Commission. The application for landscape screening and erosion control shall be accompanied by the applicable fee and deposit. The plans shall be reviewed at a noticed public hearing. Attention shall be given to plantings which will be adequate to break up the view of the new residence from surrounding properties and streets. In review of the landscape screening plan, the Committee shall ensure proposed shrubs and trees are selected such that mature growth does not negatively impact the views of adjacent properties. All landscaping required for screening purposes and for erosion control (as determined by the City Engineer) must be installed prior to final inspection of the new residence. The landscape screening plan shall comply with Section 10-2.809 (water efficient landscaping) of the Los Altos Hills Municipal Code.

21. A landscape maintenance and water usage deposit, in an amount established by the Town's Fee Schedule in effect at the time of approval, shall be paid to the Town *prior to final inspection of the new residence*. Two years after the project has been completed, the applicant shall furnish staff with the last 12 months of water usage for the property and conduct a site inspection to ensure installed landscape screening is still present and has been adequately maintained. Inadequate maintenance of installed landscape screening and/or water usage greater than the annual usage indicated on the approved parcel water budget worksheet, may result in complete forfeiture of this deposit.

22. *Prior to requesting the final inspection*, the property owner's Geotechnical Consultant shall inspect, test (as needed), and approve all geotechnical aspects of the project construction. The inspections should include, but not necessarily be limited to: site preparation and grading, site surface and subsurface drainage improvements, excavations for foundations and retaining walls prior to the placement of steel and concrete. The results of these inspections and the as-built conditions of the project shall be described by the geotechnical consultant in a letter and submitted to the Town for review prior to final project approval.

23. *Prior to requesting the final inspection*, a registered civil engineer or licensed land surveyor shall certify in writing and state that "the height of the new residence complies with the 27'-0" maximum structure height, measured as the vertical distance at any point from the bottom of the crawl space or basement ceiling if excavated below natural grade, to the highest part of the structure directly above (including roof materials)." The overall structure height shall be similarly certified in writing and state that "all points of the building (including chimneys and appurtenances) lie within a thirty-five (35') foot horizontal band based, measured from

the lowest visible natural or finished grade topographical elevation of the structure along the building line and the highest topographical elevation of the roof of the structure." The applicant shall submit the stamped and signed letter(s) to the Community Development Department *prior to requesting a final inspection.*

24. *Prior to requesting the final inspection*, a registered civil engineer or licensed land surveyor shall certify in writing and state that "the location of the new residence and roof eaves matches the location shown on the Site Development plan." The elevation of the new residence shall be similarly certified in writing to state that "the elevation of the new residence matches the elevation and location shown on the Site Development plan." The applicant shall submit the stamped and signed letter(s) to the Community Development Department *prior to requesting a final inspection.*

25. All properties shall pay School District fees to either the Los Altos School District and Mountain View Los Altos Union High School District or the Palo Alto Unified School District, as applicable, *prior to permit issuance*. The applicant shall take a copy of worksheet #2 to school district offices, pay the appropriate fees and provide the Town with a receipt.

ENGINEERING DEPARTMENT

26. Any, and all, changes to the approved Grading and Drainage plan shall first be approved by the Town Engineering Department. No grading shall take place during the grading moratorium (October 1st to April 30th) except with prior approval from the City Engineer. Additionally, grading is not permitted within ten (10) feet of any property line.

27. An encroachment permit from the Town's Public Works Department is required for all work conducted within the public right-of-way. No work may begin until the permit has been issued.

28. All public utility services serving the new residence shall be placed underground. Contact PG&E as soon as the building permit is issued, as the undergrounding process may take to 6-8 months.

29. All hydrant use is strictly prohibited by the Purissima Hills Water District. A permit for obtaining water for grading and construction purposes must be obtained from the Purissima Hills Water District and submitted for approval to the Town Engineering Department prior to acceptance of plans for building plan check. The permit will authorize the use of water from specific on-site or off-site water sources.

Prior To Building Plan Check

30. A set of plans which includes a septic system that has been recommended for approval by the County of Santa Clara, Department of Environmental Health shall be submitted to the Engineering Department *prior to acceptance of plans for building plan check*.

At Building Plan Check

31. Show the 10' grading setback line on the Civil Plans. Revise plans at Building Plan Check.

32. Add additional heavy-duty erosion control blanket along the downstream end of the bubbler at the southerly portion of the site up to the edge of the property line.

33. Submit a Grading and Construction Operation Plan (COP) for review at building plan check.

34. Upload high-resolution, color photographs of existing roadway and pathway conditions to the Town's Trakit system.

35. Pay the pathway fee of $10,943 for the construction of a new residence.

Prior To Final Inspection

36. The Engineer of Record shall observe the installation of the drainage system, energy dissipators, and final grading. A stamped and signed letter certifying compliance with the approved plans must be submitted prior to final inspection.

37. During the rainy season, all disturbed native soils must be protected with appropriate erosion control measures. Replanting shall be completed, as necessary, *prior to final inspection.*

38. The property owner shall inform the Town of any damage and shall repair any damage caused by the construction of the project to pathways, private driveways, and public and private roadways *prior to final inspection.*

FIRE DEPARTMENT

39. **Fire Sprinklers Required**: An automatic residential fire sprinkler system shall be installed in all new one- and two-family dwellings.

40. **Required Fire Flow:** The minimum required hydrant fire flow for this project is 1,125 Gallons Per Minute (GPM) at 20 psi residual pressure. Letter received. Hydrant is capable of meeting fire flow.

41. **Fire Apparatus (Engine) Access Driveway Required:** Installations shall conform to Fire Department Standard Details and Specifications Sheet D-1. Driveway shall comply with the D-1 Standard. Shown on Sheet C-1.0.

42. **Water Supply Requirements:** Potable water supplies shall be protected from contamination caused by fire protection water supplies. It is the responsibility of the applicant and any contractors and subcontractors to contact the water purveyor supplying the site of such project, and to comply with the requirements of that purveyor. Such requirements shall be incorporated into the design of any water-based fire protection systems, and/or fire suppression water supply systems or storage containers that may be physically connected in any manner to an appliance capable of causing contamination of the potable water supply of the purveyor of record. Final approval of the system(s) under consideration will not be granted by this office until compliance with the requirements of the water purveyor of record are documented by that purveyor as having been met by the applicant(s). 2022 CFC Sec. 903.3.5 and Health and Safety Code 13114.7.

43. **Address identification:** New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Where required by the fire code official, address numbers shall be provided in additional approved locations to facilitate emergency response. Address numbers shall be Arabic numbers or alphabetical letters. Numbers shall be a minimum of 4 inches (101.6 mm) high with a minimum stroke width of 0.5 inch (12.7 mm). Where access is by means of a private road and the building cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure. Address numbers shall be maintained. CFC Sec. 505.1.

44. **Construction Site Fire Safety:** All construction sites must comply with applicable provisions of the CFC Chapter 33 and our Standard Detail and Specification S1-7. Provide appropriate notations on subsequent plan submittals, as appropriate to the project. CFC Chp. 33.

THE TOWN OF LOS ALTOS HILLS June 8, 2026
Staff Report to the Planning Commission

SUBJECT: **Unaddressed La Barranca Road (APN 182-05-034) – File #SD25-0072, VAR25-0016 – Lands of Vangala & Tokala**
Request for: (1) Site Development Permit for the construction of a 4,711 square-foot, two-story single-family residence with attached garage, a 793 square-foot attached Accessory Dwelling Unit (ADU), 999 square-foot attached SB 9 unit, and associated hardscape and site improvements; (2) Variance to permit a driveway width exceeding the maximum allowed 14 feet and to allow a 548 square-foot increased beyond the Maximum Development Area; (3) a Grading Policy Exception to allow excavation exceeding the maximum cut thresholds for driveways.
CEQA review: Categorical Exemption per Section 15303(a)

FROM: Jonathan Fox, Senior Planner JF

APPROVED: Jay Bradford, Community Development Director J.B.

RECOMMENDATION: That the Planning Commission takes one of the following actions:

1. Adopt a resolution (Attachment 1) recommending that the City Council make a Categorical Exemption under CEQA pursuant to Section 15303(a) and APPROVE the Site Development Permit and Variance, subject to the attached conditions of approval.

2. Continue the public hearing to a date certain or uncertain and direct the applicant to make specific design changes.

3. Direct staff to prepare and return with a resolution denying the Site Development Permit and Variance, including findings supporting denial, and continue the public hearing to a date certain or uncertain for consideration of the denial resolution.

BACKGROUND

The parcel is part of Tract No. 2842, Fremont Hills Unit No. 6, which was approved by the City Council in 1961. The property consists of approximately 1.106 acres and is identified as APN 182-05-034. Because the parcel is a vacant, undeveloped lot, it has not been assigned a street address. As a result, the property is commonly identified by its Assessor's Parcel Number (APN 182-05-034).According to historical aerials from Google Earth, the property appears to have remained vacant since subdivision. The parcel has a single frontage on La Barranca Road, which is public. The site is covered by a canopy of heritage oak trees. Worksheet 1 indicates an average site slope of 33.3% and lot unit factor (LUF) of 0.554.

The property has been under a Williamson Act contract since 1972. The Williamson Act is a California law that encourages the preservation of agricultural and open-space land by allowing property owners to enter into contracts with local governments restricting development of their land for at least 10 years. In exchange, the land is assessed based on its agricultural value rather than its market value, resulting in lower property taxes. Williamson Act contracts are enforced

through a rolling 10-year term contract which auto renews each year. The property is currently enrolled in a 10-year contract and a nonrenewal or cancellation has not been initiated. Furthermore, the owner plans to maintain their Williamson Act-status and has incorporated their small farming business into the project.

Because the property is subject to a Williamson Act contract, the project must be considered by both the Planning Commission and the City Council. The Planning Commission will review the application and make recommendations to the City Council regarding the following:

- Site Development Permit
- Variance
- Grading Policy Exception
- Findings of Compatibility with the Williamson Act

The City Council will then make the final determination regarding Williamson Act compatibility and take action on the requested project approvals.



Figure 1: APN 182-05-034 *Source: LAH GIS*

NOTICING/PUBLIC OUTREACH

The Public Hearing was noticed as follows:

- Mailing to property owners who own property within a 500-foot radius – May 29, 2026
- Posted at the project site – May 29, 2026
- Public Posting Places – May 29, 2026
- Town Website: www.losaltoshills.ca.gov – June 5, 2026

To date, staff has received one public comment regarding the proposed project and it is included as Attachment 2. Public comment received after publication of the staff report but before the June 8, 2026, Planning Commission meeting will be forwarded to the Commission as a supplement to the published staff report.

GENERAL PLAN and MUNICIPAL CODE

General Plan Land Use Element

Policy 1.1 *Uses of land shall be consistent with the semi-rural atmosphere of the community, minimize disturbance to natural terrain, minimize removal of the natural vegetation, and create the maximum compatibility of development with the natural environmental through site design and landscaping.*

Policy 2.5 *Steep slopes, canyons and ravines generally in excess of 30% slope, as well as natural swales and drainage channels, and geologic hazard areas within areas designated for residential development shall be left undisturbed and preserved in their natural condition to the maximum extent feasible.*

Policy 2.6 *Limits on the development of individual residential lots shall be determined based on evaluation of such factors as natural vegetation, topographic characteristics, soils and geology.*

Municipal Code

Pursuant to the Los Altos Hills Municipal Code (LAHMC), all new residences are subject to Title 10 *Zoning and Site Development*:

- Chapter 1 *Zoning*, Article 5 *Area, Coverage, Height, and Setback Limitations*
- Chapter 1 *Zoning*, Article 7 *Residential-Agricultural District (R-A)*
- Section 10-2.301(b) *Administrative Review with Notice and Hearing*
- Section 10-2.702 Siting

(a) Alternative Locations. The location of buildings and structures shall be selected so as to minimize run-off from the site, the volume of off-site drainage created, the destruction or alteration of natural vegetation, and the impairment of scenic views from off the site.
(b) Preservation of Ridgelines, and Hilltops. Ridgelines and hilltops shall be preserved by the siting of structures to take advantage of natural topographic or landscape features which would cause structures to blend with their natural surroundings. The Site Development Authority shall consider the following guidelines in approving the location of a structure:
(1) Single story buildings and height restrictions may be required on hilltops and ridgelines.
(2) Cut foundations should be used in place of fill on hilly terrain.
(3) Native or naturalized vegetation should be used to conceal structures wherever possible.
(4) Structures may be located on ridgelines or hilltops only when they can be rendered unobtrusive by one or more of the following techniques:
(i) The use of natural vegetation and/or added landscaping;
(ii) The use of a low-profile house, with a sloping roofline and foundation, that follows the natural contours of the site;
(iii) The use of exterior roofing and siding materials and colors that blend with the natural landscape.
(5) Hilltops or ridgelines shall not be cut down, flattened, or similarly graded to create a building pad in excess of the actual area covered by the principal residence.
(c) Disturbance to the Site. The location of all structures should create as little disturbance as possible to the natural landscape. The amount of grading, excavation, or fill shall be the minimum necessary to accommodate proposed structures, unless grading is proposed to lower the profile of buildings. Additional grading may be allowed for the purpose of lowering the profile of the building provided that at the completion of the project the visual alteration of the natural terrain

is minimized. The removal of vegetation and alteration of drainage patterns shall be the minimum necessary to accommodate the proposed structure.
(e) Creek Protection. Structures shall be set back a minimum of 25 feet from the top of bank of all creeks. Greater setbacks may be required along major creeks in the Town; however, lesser setbacks may be allowed where approved by the Planning Commission. Improvements required to all creeks shall be accomplished to appear natural and to maintain the natural meandering course of the existing creek. Creeks and banks shall be protected so as to remain in their natural state as much as possible. They should not be disturbed by the building or grading process. No grading shall be allowed in creeks or within the required setbacks from top of bank. Siting of structures shall be done with safety as a primary concern. Safety concerns and preservation of riparian habitat are required to be simultaneously addressed when designing development and required improvements to creeks.

Staff and the Site Development Authority (Planning Commission) use the provisions listed above to ensure that the site, location, and configuration of structures are appropriate for a given property.

PROJECT DESCRIPTION

The applicant is requesting a Site Development Permit to construct a new 4,711 square-foot, two-story single-family residence with attached garage and associated site developments. An attached ADU and SB 9 unit are shown in the project plans for reference but are subject to administrative-level review only.

Site Data

Gross Lot Area:	1.164 acres
Net Lot Area:	1.106 acres
Average Slope:	33.3%
Lot Unit Factor:	0.554

Floor Area and Development Area

Area (sq. ft.)	*Maximum*	*Existing*	*Proposed*	*Increase*	*Remaining*
Development	7,500	361	8,048*/**	7,687	0
Floor	5,000	0	4,810*	4,810	2,940

** 793 square-feet is exempt for the ADU, and 900 square feet is exempt for the SB 9 unit*
***Subject of Variance request*

Height:

Height (ft)	*Maximum*	*Proposed*
On Vertical Plane	27’	28’-2”
Lowest to Highest	35’	28’-2”

Setbacks:

Distance	*Minimum*	*Proposed*
Front	40’	38’-0”
Side (West)	30’	30’-3”
Side (East)	30’	107’-4”
Rear	30’	79’-11”

DISCUSSION

Site Design and Architecture

The proposed new residence is a two-story structure with stucco walls and a terracotta roof. The applicant-submitted conceptual renderings demonstrating compliance with the Town's standard LRV limitations – 50 LRV or less for walls and 40 LRV or less for roofs. The standard condition of approval on LRV requirements for exterior wall colors and roofing is included in Attachment 1 (Condition 5). There is a glass roof above the living room providing natural light into the second floor.

The current proposal shows the structure will have a maximum height of 28'-2" as measured from the building pad to the highest point directly above (glass roof). Staff has prepared a condition of approval requiring the project to comply with the 27-foot building height limit. This condition is required to be satisfied as part of the building permit submittal. The applicant has indicated that the skylight design will be revised to comply with the height limit.

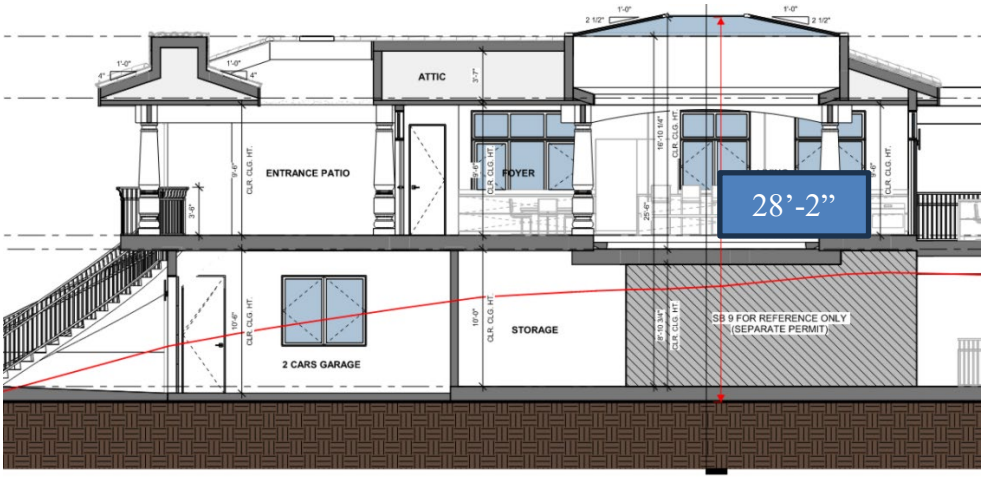


Figure 2: Building Section Source: Sheet A3.01

The proposed project provides adequate off-street parking. Pursuant to LAHMC Section 10-1.601, the primary residence is required to provide four (4) off-street parking spaces, including a minimum of two (2) covered spaces. The SB 9 unit and ADU each require one (1) additional parking space, resulting in a total parking requirement of six (6) spaces. The project complies with these requirements by providing four (4) covered parking spaces within the garage and two (2) uncovered tandem parking spaces located in front of the garage. All required parking spaces comply with the applicable setback requirements.

Grading and Drainage

The Engineering Department has reviewed the civil/drainage plans and found that compliance with the remainder of the Town's stormwater regulations, or that any remaining issues can be addressed through conditions of approval. The Engineering Department has provided their recommended conditions of approval (see Conditions #26 through #38, Attachment 1).

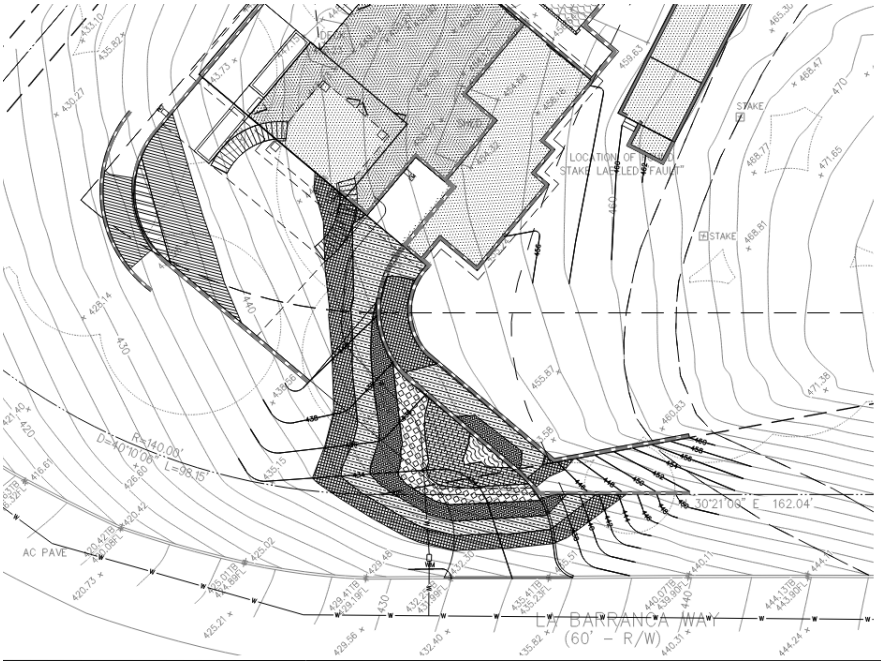
The grading quantities for the project include 1,630 cubic yards of cut and 220 cubic yards of overall fill, for a total of 1,410 cubic yards of dirt to be exported.

The Town's Grading Policy limits driveway grading to a maximum of 4 feet of cut and 3 feet of fill. The policy further states that driveway cuts may be increased up to a maximum of 10 feet in areas adjacent to a garage that has been similarly lowered. The proposed project includes a Grading

Policy Exception request to allow cuts exceeding 4 feet, with portions of the driveway reaching depths of up to 15 feet.

According to the project civil engineer, Lea & Braze Engineering, Inc., the additional grading is necessary to comply with the County Fire Department's maximum driveway slope requirement of 20% for emergency vehicle access. The engineer also states that grading impacts have been minimized through the use of terracing techniques across the site.

Staff supports the requested Grading Policy Exception due to the challenging topography of the property, which has an average slope of 33.3%. In combination with the County Fire Department's emergency access requirements, the exception is necessary to facilitate development of the project. Although the grading exhibit identifies a maximum cut depth of 15 feet, this condition is limited to an approximately 36 square-foot area, while the majority of the exception area ranges between 4 and 8 feet of cut.



GRADING SUMMARY		
CUT DEPTH	AREA (SF)	HATCH
4' TO 6'	853	
6' TO 8'	793	
8' TO 10'	360	
10' TO 12'	230	
12' TO 14'	194	
14' TO 15'	36	

GRADING SUMMARY		
FILL DEPTH	AREA (SF)	HATCH
3' TO 6'	545	
6' TO 8'	72	

Figure 3: Building Section Source: Sheet EX-G

Variance to Exceed Maximum Driveway Width

Pursuant to LAHMC Section 10-2.1102(g), driveways must comply with all applicable standards established by the Santa Clara County Fire Department, including requirements related to width, vertical clearance, grade, surface, load-bearing capacity, turning radius, turnouts, turnarounds, and emergency access. The Municipal Code further requires driveway widths to be a minimum of 12 feet and a maximum of 14 feet, excluding parking and backup areas.

The project requests a variance from the maximum driveway width requirement to allow a driveway width of 28 feet adjacent to La Barranca Road. Beyond the first approximately 25 linear feet, the driveway complies with the code-required maximum width of 14 feet. According to the applicant, the increased width at the driveway entrance is necessary to accommodate the turning radius requirements for emergency vehicles accessing the site from La Barranca Road.

Staff supports the requested variance based on the unique physical constraints of the property. The site contains steep slopes averaging approximately 33.3%, with the frontage along La Barranca Road exhibiting even steeper grades. In addition, an active fault trace bisects the property, further limiting the available building area and site design options. The requested variance is narrowly tailored to the portion of the driveway nearest La Barranca Road and is necessary to satisfy emergency access requirements.

Variance to Exceed Maximum Development Area

The Maximum Development Area (MDA) for the property is 7,500 square feet (see Attachment 5 for Worksheet 1 and 2). The project requests a variance to exceed the MDA by 548 square feet for a total of 8,048 square feet. The proposed development area includes the primary residence, driveway, patios, walkways, pool, and agricultural structures (storage, chicken coop, greenhouse). 793 square feet is exempt for the ADU, and 900 square feet is exempt for the SB 9 unit.

Staff supports the requested variance to exceed the MDA due to the unique physical constraints of the property. The site is affected by fault lines and extensive areas of steep slopes, both of which significantly reduce the amount of land available for development. Required fault setbacks limit the buildable area, while the steep topography further constrains feasible building locations. As a result, the residence must be situated farther from the primary road than would typically be the case on a comparable property. This constrained building location necessitates a longer driveway and additional site improvements, increasing the overall development area required for the project. Accordingly, staff finds that the variance is justified and represents the minimum deviation necessary to allow reasonable development of the property.

Staff notes that if the Commission is unable to make the required findings in support of the variance request, it may direct the applicant to revise the project design to comply with MDA.

Lighting

Eighteen (18) exterior light fixtures, consisting of wall-mounted lights and recessed downlights, are shown on the exterior lighting plan (Sheet L1.1). The proposed fixtures provide illumination for the garages, exterior entryways, and patio areas. Staff finds that the proposed exterior lighting is consistent with the Town's Lighting Policy with respect to the number, location, and type of fixtures. A standard condition of approval is included in Attachment 1 (Condition 9) to ensure that the final lighting plan complies with the Policy's requirements for lumen output and color temperature. In addition, a condition of approval is included to ensure that any proposed pool lighting, which is not currently shown on the plans, will also comply with the Town's Lighting Policy.

Trees and Landscaping

The project proposes to remove five non-heritage trees and twelve (12) heritage oaks. The project arborist recommends removal of the trees due to conflicts with the building, driveway, drainage systems, or septic leach field lines. A standard condition of approval for a landscape screening application is included in Attachment 1. The Commission may set the hearing authority for landscape screening – either Site Development (Director-level) or Planning Commission. The Commission may also dictate areas of concern to be addressed in the landscape screening application.

Williamson Act Compability

Based on the information provided by the applicant, staff finds that the proposed project is compatible with the continued agricultural use of the property and the purposes of the Williamson Act contract. The applicant has submitted a Farming Operation and Business Plan (Attachment 4) detailing the property owner's existing agricultural activities, including vegetable cultivation, potted plant production, and chicken farming, and has incorporated agricultural improvements into the site design. As shown on the site plan (Sheet A1.02), more than half of the property will be dedicated to agricultural use, including areas for crop production, agricultural storage, chicken coops, and a greenhouse. These improvements demonstrate the applicant's commitment to maintaining and expanding agricultural operations on the property. Accordingly, staff recommends that the City Council make the required findings that the project is compatible with the existing Williamson Act contract and will not materially interfere with the property's continued agricultural use.

Town Committee Reviews

Environmental Design and Protection Committee (EDPC)

The Committee reviewed the application and visited the property in May 2026. The Committee's report (Attachment 3) identifies several aspects of the project. Staff has reviewed a number of these items, as summarized below:

1. *Carports count as Floor Area*
    a. Staff Response: The project contains two open parking spaces located beneath the second floor of the primary residence. Carports are typically defined as standalone or attached accessory structures that are separate from the primary residence's building volume. Staff does not interpret the area as a carport and accordingly the space is not considered floor area.
2. *Non-daylighted area not counted as Floor Area – Does not meet basement requirements*
    a. The lower level does not meet the Town's definition of a basement; therefore, all areas on the lower level, other than the SB 9 unit, are included in the calculation of floor area.
3. *ADU is two stories and located in area of 30 percent slope.*
    a. Staff Response: Attached ADUs are allowed to be two stories and the maximum height of the zoning district, which is 27 feet. ADUs may be located on slopes greater than 30 percent with approval of a geotechnical report.
4. *Noise Mitigation from Highway Not Mentioned.*
    a. Staff Response: The property is within an elevated noise contour per the Town's General Plan Noise Element due to proximity to Highway 280. In the Planning phase, preparation of an acoustical report is a recommendation not a requirement. See condition of approval #17 for noise mitigation to be addressed prior to issuance of a building permit.
5. *Net Acreage Not Shown but needed to base MFA & MDA calculations.*
    a. Staff Response: Worksheet 1 (Attachment 5) identifies the net area as 1.106 acres.

Open Space Committee (OSC)

OSC also reviewed the application in May 2026; however, its report has not yet been received. Staff will upload the report as a supplemental attachment upon receipt. Staff anticipates that the

OSC report will recommend an open space easement as the southern portion of the property is within the Open Space Conservation Area (OSCA) overlay.

ENVIRONMENTAL REVIEW

The proposed new residence is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15303(a), which allows for new construction or conversion of a single-family residence.

CONCLUSION

The project complies with the site development standards for new residences related to maximum floor area, setbacks, and off-street parking. The project does not meet the standards for maximum development area and maximum driveway width; however, staff has prepared findings to support approval of the requested variances. Accordingly, staff recommends that the Planning Commission review the project, conduct a public hearing, and adopt Attachment 1 recommending that the City Council determine the project is categorically exempt from CEQA pursuant to Section 15303(a) and approve the Site Development Permit and Variances, subject to the attached conditions of approval.

ATTACHMENTS

1. Resolution with Conditions of Approval [DRAFT]
2. Public Comment
3. Environmental Design and Protection Committee Report, dated November 1, 2024
4. Farming Operation and Business Plan
5. Worksheet 1-2 prepared by Applicant
6. Project Plans – *Planning Commission only*

June 8, 2026, Planning Commission Recorded Meeting [LINK]

https://losaltoshillsca.portal.civicclerk.com/event/4535/media

From: [redacted]
To: BCC - Alisa Bredo; Jim Waschura; Jonathan Fox; BCC - Birgitta Indaco; Rajiv Patel
Cc: Rajiv Bhateja; Linda Swan; George Tyson; kavita tankha; Stanley Mok
Subject: Re: 0 La Barranca
Date: Wednesday, July 29, 2026 10:21:13 PM

July 29, 2026

Dear Planning Commission;

This is a clarification and refinement of my earlier comments from 7/28/2026.

I am writing my letter regarding File #SD25-0072 for 0 La Barranca. I appreciate the opportunity to provide additional comments and would like to clarify my concerns with more specific reference to the project details.

My intent is not to oppose development of the property, but to ensure that the proposed project is appropriately designed for the site conditions and consistent with the Town's hillside safety and development standards.

I am particularly concerned about the proposed driveway location. Your NOTICE OF THE PLANNING COMMISSION PUBLIC HEARING on your stationary, mailed out to the surrounding neighborhood residents, dated 5/29/26 stated Variances to permit a driveway width exceeding the maximum 14 feet and to allow development exceeding the MAXIMUM Development Area by 548 square feet. A grading policy exception to allow excavation exceeding the maximum cut thresholds for the driveway. This is a variance. How many variances or exceptions are you asking for? The driveway appears to be located near a curve on La Barranca where visibility is limited. This creates a potential safety issue for vehicles entering and exiting the property due to reduced sight distance and the proximity of a roadway bend. I respectfully request that the Town evaluate whether safe ingress and egress can be achieved at this location or whether the driveway should be redesigned or relocated to improve visibility and reduce conflict with through traffic.

I also have concerns regarding the extent of grading proposed for the project. The application appears to involve significant excavation and slope modification on a hillside parcel, including cut and fill operations and associated retaining structures. My concern is whether this level of disturbance could increase erosion risk, affect slope stability over time, or alter natural drainage patterns on the site.

In addition, I request careful review of the proposed drainage design to ensure that stormwater runoff will be properly managed on-site and will not increase flow toward adjacent properties or downhill areas, particularly given the steep terrain conditions.

Finally, when I refer to potential modifications, I am specifically referring to possible adjustments such as improving driveway alignment for safety, reducing grading intensity where feasible, and refining building placement to better respond to the natural topography of the site.

I respectfully ask the Planning Commission to evaluate the project as a whole and ensure that all required findings can be made before approving the requested permits, variances and exceptions as the proposed development is very close to the Town's guideline limits and in some cases have exceeded the building codes of the Town as prior to this acquisition by the Vangalas, this property was an Open Space parcel with land that was never developed.

Thank you for your time and consideration.

[redacted]

Cc: Los Altos Hills Town Council

From: [redacted]
To: BCC - Birgitta Indaco; Jim Waschura; abredo@losaltoshills.ca.gov; rajivp.usa@gmail.com; Malika Junaid
Cc: Rajiv Bhateja; Planning Commission
Subject: Concern on project "Unaddressed La Barranca Road (APN 182-05-034)
Date: Tuesday, July 28, 2026 8:26:38 AM

LAH Planning Commission / City Council,

As an affected neighboring property owner of 0 La Barranca Road (APN 182-05-034), despite previous comments and objections submitted by surrounding property owners, our concerns remain unresolved and continue to warrant careful consideration by the relevant authorities.
The potential impacts on neighboring properties, community character, safety, environmental resources, traffic, noise, and overall quality of life deserve meaningful evaluation and response, I respectfully request that these issues be thoroughly reviewed before any approval or further actions are taken.

1-Land Stability:
Numerous neighboring property owners have raised concerns and provided detailed information regarding the site's steep slopes and geologic characteristics. The parcel may be approximately one acre in size; the steep topography substantially limits its functional building area. Therefore, the site should not be evaluated in the same manner as a relatively flat amount of equivalent acreage. Rather, the development intensity should reflect the actual constraints of the terrain and geologic conditions to ensure long-term safety, stability, and compatibility with the surrounding environment.
In the absence of demonstrated comparable projects with similar land conditions, we believe a more conservative development approach is warranted. A reduction in the scale of development to a size more consistent with the

site's physical limitations would reduce the burden placed on the hillside, minimize grading and structural interventions, lower the risk of slope instability, and better protect public safety and neighboring properties.

2-WA concern:
It has been noted that the Town of Los Altos Hills does not appear to have a clearly defined policy or guideline for addressing Williamson Act (WA) properties and related land use decisions. The Town should carefully evaluate the broader implications of its decision. Many properties and neighborhoods within Los Altos Hills contain significant open space easements and may potentially qualify for Williamson Act benefits. As a result, decisions made in this case could encourage similar requests in the future, potentially expanding participation in programs that reduce property tax assessments. This may have long-term fiscal implications for the Town and other local public agencies that rely on property tax revenues. Before taking any action, I respectfully request that the Town provide a clear legal and policy analysis regarding the applicability of Williamson Act requirements, establish transparent guidelines for future cases, and evaluate the potential financial impacts that such decisions may have on the community.

3-How farming activities can be managed: A poultry operation with approximately 100 laying hens and production of 500 eggs per week should be subject to clear and enforceable operational standards addressing sanitation, manure management, odor control, pest control, biosecurity, disease prevention, and veterinary oversight. Without such regulations and ongoing compliance monitoring, the operation may create public health, nuisance, and compatibility concerns for surrounding residential uses. The applicant should demonstrate compliance with recognized poultry-management standards and provide an operations plan

addressing waste disposal, infection control, disease reporting, and neighboring property protection.

4-Can residential /agriculture areas be doing commercial things: A chicken operation consisting of approximately 100 laying hens and producing roughly 500 eggs per week exceeds the scale of a customary residential accessory use and exhibits characteristics of a commercial agricultural enterprise. The operation involves ongoing agricultural production for sale, with the potential for increased traffic, deliveries, noise, odor, and operational intensity that are not typically associated with residential land uses.

We respect the time and expertise that the Planning Commission members contribute through their volunteer service. As neighbors who will be directly affected by this project, however, we believe it is important to bring forward concerns and perspectives that may not have been thoroughly examined. We are here to express our serious concerns about this ambitious plan, which we believe has not undergone adequate review of its potential safety and environmental impacts.

Best Regards,

[redacted]

From [redacted] [redacted]>
Sent: Wednesday, June 3, 2026 2:31 PM
To: Planning <planning@losaltoshills.ca.gov>
Subject: FOR PUBLIC COMMENT File #SD25-0072

I will not be able to attend the Planning meeting for Unaddressed La Barranca Road (APN 182-05-034), here are my comments:

- Concern that the parking of construction vehicles (worker cars/trucks, construction equipment) is well accounted for - many of us use the path opposite the construction site and would not want it blocked, especially in a low traffic visibility area of the street. This is a well used street as well so we would hope the plans minimize any "single lane" / flag person needed times as due to the traffic visibility, any construction truck usage on the street would need this for safety. Talking to the planning person, I was assured that construction parking, etc. will need to be part of the plan before permits are approved.

- Concern for the excessive grading with environmental impact inspections being waived - again, I would expect the building plans to include ways to prevent environmental impacts with that much excavation and that many trees being chopped down.

- Concern about such a large development receiving tax advantage due to the Williamson Act - 6500 sq ft total building seems excessive to what that act was meant to cover. Online seems to cap the covered building at 2500 sq ft without issue, though perhaps the buildings are not being submitted as part of the Williamson Act tax treatment.

- No concern on the beautifully architected design

Thank you,

[redacted]
[redacted] Cumbra Vista Ct

TO: LAH Planning Commission
SUBJECT: PUBLIC COMMENT Item 3.5 Planning Commission Meeting June 8, 2026
FROM: [redacted]
DATE: June 8, 2026

I respectfully request that the Planning Commission continue this item to a future meeting to provide additional time for review because of complexity of the project: three dwelling units on a constrained parcel, excess MDA and other variances requested by the developer, details of Williamson Act contract not provided, and failure to address open space and conservation issues. Neither the public nor the Planning Commission has had time to fully review the proposal. I further recommend the Town consult with the County Department of Division of Agriculture to determine if these development plans are compatible with state law and the existing WA contract and **obtain and file a Compatible Use Determination from the county.**

The owners of this parcel propose to cut down 12 heritage oak trees and an unspecified number of non-heritage oaks to grow potted plants and keep chickens. Three dwelling units, (primary residence, a 2-story ADU, and an SB9 unit), a pool, and outbuildings which together would exceed the allowable MDA for the parcel are proposed, as well as other variances. Further, the parcel is under Williamson Act contract and no documentation about the contract or development limitations has been provided. Laws regarding development on Williamson Act land are complex and I recommend the town seek advice form the County and the State.

My recommendations:

1. Require open space easements on steep wooded slopes as required by Land Use Element

The site is located within an Open Space Conservation Area designated in the LAH Land Use Element that runs along the Deer Creek riparian corridor. The back (SE) portion of the parcel is a steep, heavily wooded ravine. Deer creek runs through this OSCA on adjacent parcels.

Land Use Designation 116

— *T*he *OSCA o*verlay is generally applied to areas of steep slopes, canyons and ravines associated with major creeks or their tributaries, as well as creek corridors and other areas of heavy vegetation that should be protected. Within these areas, special measures should be taken to conserve the natural quality of the area and to avoid environmental degradation. Residences should be placed on the most buildable portions of lands designated OSCA and

carefully sited so as to preserve existing trees, vegetation and wildlife habitat. */LAH Land Use Element LU-6/.*

The areas along the perimeter of the parcel shown as "*Vegetable Farming*" appear to be on steeply sloped areas largely within the 30-ft setbacks. Most of this area is >30% slope and has mature oaks, thus it **meets criteria for dedication of open space easements, which are routinely required on other steeply sloped parcels.**
Land Use Element Policy 2.5. *Steep slopes, canyons and ravines generally in excess of 30% slope, as well as natural swales and drainage channels, and geologic hazard areas within areas designated for residential development shall be left undisturbed and preserved in their natural condition to the maximum extent feasible*. /LAH General Plan; Land Use Element pg LU-9/.

2. Review Williamson Act Documentation
Owners report this parcel has been under the Williamson Act (WA) since 1972, and owners have received tax assessments that are substantially lower than the market value of the land since that time. **Please require Planning Commission to review the documentation for this WA contract**, including the original contract between the previous owner and the Town and the explicit terms of the contract specifying what is and is not allowed on the parcel. In addition, the owners were required by law to submit annual or biennial reports to the Town describing the nature of their agricultural enterprise, including operations, income, and expenses. Confirm that these reports were submitted to the Town with description of how the land was being used. If they were not submitted, ask the Town to require that these reports be provided in the future—as required by law.

It is apparent from historical and current aerial photos —and the comment provided in the staff report that "*The site is covered by a canopy of heritage oak trees*." — that this steep (avg slope >33%), wooded parcel has not been used for agricultural since the WA contract started. However, since 1971 the state has allowed Williamson Act contracts for the purpose of protecting open space land —without a requirement for ag activity. Review of the WA reports to the Town from this parcel should clarify how the land has been used to meet WA requirements. It is clear any open space value of the parcel will be lost by the proposed development.

***3. How much development is allowed on parcels in Williamson Act contracts designated for agriculture*?** Is the proposed development area of >8,000 square feet of MDA and three dwelling units of MDA allowable on a WA parcel contracted for open space or for agriculture? There are restrictions for building residences and Santa Clara County has an extensive info section on development of WA parcels.

I strongly recommend the Town

— Review the WA contract for this parcel to identify allowed uses
— Consult with the CA Department of Conservation to determine if the proposed development—that exceeds allowable MDA and clearly will displace potential agricultural and/or open space use of most of the parcel— is allowable or will result in breach of contract.
— Consult with the Santa Clara County Division of Agriculture to determine if these development plans are compatible with state law and the existing WA contract. **Obtain and file a Compatible Use Determination from the county.**

Thank you for your consideration
[redacted]
LAH resident

Outlook

Concerns on project 'Unaddressed La Barranaca Rd'

From [redacted]
Date Tue 6/9/2026 9:13 AM
To Planning Commission <planningcommission@losaltoshills.ca.gov>

Dear Commission,

My name is [redacted] and I have expressed my concerns on the following topics last night. However, for some of the questions asked to me, I did not have answers ready then. Now, I would like to follow up on that, and make sure things are properly addressed. This is a long email - not sure if it is appropriate for public read.

IF IT HAS TO BE PUBLISHED, PLEASE POST IT AS ANONYMOUS.

1. Williamson Act Compatibility.
To be qualified for Williamson Act contract, the owners have to have commercial agriculture business. Although personally I do not think the project is qualified, I want to also voice out the concerns IF it get qualified. We need measures to ensure limited commercial activity here to uphold the quiet enjoyment right of the neighbors. Traffic, People/workers, Noise, potential pollution from machines, and Animal sanitory.

California real estate related law also have clear rules on permitted residential unit on agriculture land. Traditionally, not the owners', but ok for 'hired workers. And yes, it has to be incidental.

2. Land Stability
One of the commissioner mentioned we can only 'follow the engineers suggestion'. I agree. However, I'd also request a thorough study and reports being shared to our neighbors. Maybe a link to document depository to the 500 m radius?

Will the project removes soil from the 'slope' of the flat area near the upper unit? Will the project remove soils next to the lower unit? Please specify the exscavation sites, the volume and the risk assessment.

I am far from being an expert, so I asked AI help :)

Question
1. Is any portion of the site mapped as an ancient landslide? 2. How much cut and fill is proposed? 3. Will there be retaining walls required or built? 4. What is the calculated static FoS and seismic Fos? 5. Will it ensure safety and stability during a very wet year, we had a year of maybe 3-4 atmosphere river, especially during the construction time? 6. What earthquake acceleration was assumed? 7. Soil type and its role in stability estimation.

Geotechnical Report

Prepared by a geotechnical engineer.

Should include:

- Borings
- Laboratory testing
- Groundwater investigation
- Settlement analysis
- Slope stability analysis

Engineering Geology Report

Prepared by an engineering geologist.

Should include:

- Geologic mapping
- Fault investigation
- Landslide evaluation
- Soil and rock characterization

Fault Investigation Report

Often includes:

- Trenches
- Fault mapping
- Recommended setbacks

3. A general question on MDA MFA related.
I am wondering if the slope is considered a factor to 'limit' MDA MFA for land stability and building safety purpose? I am aware the slope degree is included in the calculation of MDA MFA, just not sure if it is for appearance factor or safty stability purposes.

The land in this discussion has a 33.3% slope, and with a significant portion of the 'flat' area on the other side of the fault which is not used other than installing the septic tank and a chicken coop/or green house. Now, that means the rest of the land must have a slope steeper than 33.3%. MDA give a general guideline I understand, but does it 'gaurantee a construction of this size is allowed?'.
Considering the steep slope, I am not sure if it is recommendable to build the big construction in the physically challenging slope area.

Well - I am learning from your professional opinions and the neighbors rely on your stewardship for a prospective future. Very appreciated.

Sincerly,
[redacted]

Outlook

Re: Concerns on project 'Unaddressed La Barranaca Rd'

From [redacted]
Date Tue 6/9/2026 7:29 PM
To Planning Commission <planningcommission@losaltoshills.ca.gov>

Dear Commission,

A quick follow up on MDA/MFA. I am preaching to the chiore I am aware...please allow me.

1. By looking at the worksheet, this property has a 'calculated MDA' of 4155. It is 'allowed' to be 7500sf due to the policy(?) that *IF the MDA is less than 7500sf, and LUF is greater than 0.5, use 7500 sf for MDA.
Note the lot we are talking about has a LUF barely over 0.5, at 0.55.

Suggesting the land was not considered suitable for big constructions, not to mention they unable to utilize the flat area.

2. Now if we look into the details abot current development area proposed.
Note, there are credit applied to SB9 unit, ADU, and drive ways. SB9 and ADU only count for total '99 sqft' of development area after the significant discount.

In the meeting last night (6/8/2026), we were talking about chicken coop and green house that takes significant development area so that the overall exceeds MDA. It may be the '361' sf in item 1.J - Any other coverage? IT IS NOT THE CASE why they have to exceed MDA.

I would suggest Engineering and Geologist review of the project by someone independent of the town and NO conflict of interest. Better, if allow neighbors to look for creditable expert.

Thank you.
[redacted]




Sent from my iPad

On Jun 9, 2026, at 9:13 AM, Faye HSU <oreohsu@gmail.com> wrote:

Outlook

Concerns on project "Unaddressed La Barranca Rd"

From [redacted]
Date Sat 6/13/2026 8:22 AM
To Planning Commission <planningcommission@losaltoshills.ca.gov>

1 attachment (2 MB)
Concerns on "Unaddressed La Barranca Project".docx;

We request a reconsideration of the building plan on "Unaddressed La Barranca Rd" with the concerns on the Land Stability, quiet enjoyment environment, commercial operation, and the traffic safety.

The reasons are stated in the summary document.

[redacted]

Document Below

Objective

The new development plan of the ‘unaddressed La Barranca Rd’ has two major parts:

1) Building plan with a variance exceeding MDA
2) Williamson Act Compatibility

We have concerns on both parts that we seek the city planner and planning commission to give a careful evaluation.

Lastly, I hope to mention the seemingly inconsistent evaluation by city planners regarding building permits.

I. Is the development advisable, with variance to MDA?

A. Is MDA increase for This lot suitable?

Review Worksheet #1

1) This specific lot has the characters - S is 33.3%, LUF is 0.554.
2) This specific lot has calculated MDA 4155 sf, MFA 2770 sf
3) MDA and MFA are 'allowed' to be 7500sf, and 5000 sf,respectively
4) Another note on the worksheet: The MDA and MFA are maximums allowed…City Counncil or Planning Commission may further limit development area or floor area due to site specific constraints or site visibility.

Discussion point

1) If a lot with LUF below 0.5, the MDA MFA would not be permitted to increase.
2) City also hold a code that if a lot with S >35%, it is conditional development permit gives MDA of 2500 sf
3) This lot S = 33.3%, LUF 0.554, Both are very close to the restriction where No increase would have been allowed,but approximate to a conditioned land restricted with MDA 2500 sf.

Question:

1) Is it truly Safe to allow increase of Development to the maximum allowed, MDA to 7500 sf, and MFA to 5000 sf?

2) Is there enough historic data to support such an increase in building size is sound and safe?

3) Is there great innovation in building or geological science technology, material, engineering, to support the increase as "GOOD, IDEAL" now than before?

4) Note, the construction cannot use the only flat area of the lot due to faultline setback. . The 'buildable' area Likely has S > 35%, LUF <0.5.

Had the lot come without the flat area, the city would not have agreed to have increased MDA MFA, and may stick to the 2500 sf of restriction.

Additional Request

1) Thorough report on geological and fault assessment. Mostly on FoS and reveal whether there were ancient slide

2) Independent consultant with knowledge on steep slope buildings.

Worksheet #1 attached.

WORKSHEET #1
(continued)

3. CALCULATION OF MAXIMUM DEVELOPMENT AREA (MDA)

A. for S equal to or less than 10%
MDA = (LUF) (15,000) = _____ square feet*

B. for S greater than 10% and less than 30%
MDA = (LUF) [15,000 - 375(S - 10)] = _____ square feet*

C. for S equal to or greater than 30%
MDA = (LUF) (7,500) = 4155 7500 Per * square feet*

* If the MDA is less than 7,500 square feet (and the LUF is greater than 0.50), use 7,500 square feet for your MDA

4. CALCULATION OF MAXIMUM FLOOR AREA (MFA)

A. for S equal to or less than 10%
MFA = (LUF) (6,000) = _____ square feet**

B. for S greater than 10% and less than 30%
MFA = (LUF) [6,000 - 50(S - 10)] = _____ square feet**

C. for S equal to or greater than 30%
MFA = (LUF) (5,000) = 2770 5000 Per ** square feet**

** If the MFA is less than 5,000 square feet (and the LUF is greater than 0.50) use 5,000 square feet for your MFA.

NOTE: The MDA and MFA are maximums allowed by the Town Municipal Code. The City Council or the Planning Commission may further limit development area or floor area due to site specific constraints or site visibility (see "Site Development Policy Statement").

TOWN USE ONLY	CHECKED BY	DATE

TOWN OF LOS ALTOS HILLS

PLANNING DEPARTMENT
26379 Fremont Road • Los Altos Hills, California 94022 • (650) 941-7222 • FAX (650) 941-3160

WORKSHEET #1

CALCULATION OF AVERAGE SLOPE, LOT UNIT FACTOR
MAXIMUM DEVELOPMENT AREA, AND MAXIMUM FLOOR AREA

• TURN IN WITH YOUR APPLICATION •

PROPERTY OWNER'S NAME	Barbara Lumbard		
PROPERTY ADDRESS	La Barranca Rd APN 182-05-034		
CALCULATED BY	Marvin Lumbard Mechanical Engineer	DATE	5/17/21

1. CALCULATION OF AVERAGE SLOPE

A. CONTOUR LENGTH WITHIN NET AREA OF LOT (An)

CONTOUR	LENGTH (INCHES)	CONTOUR	LENGTH (INCHES)	CONTOUR	LENGTH (INCHES)	CONTOUR	LENGTH (INCHES)
						TOTAL	

See Attached Spread Sheet

Convert inches to feet (multiply by map scale) = (L) = 8013.43 feet

B. AVERAGE SLOPE WITHIN NET AREA OF LOT

$S = \frac{(0.0023)(I)(L)}{An}$

I = contour interval in feet

L = total length of contours in feet

An = net acreage of lot nearest .001

$S = \frac{(0.0023)(\ 2\ )(8013.43)}{(\ 1.106\ )} =$ 33.3% nearest 0.1%

1.106 acre excluding road cut face at La Barranca

2. CALCULATION OF LOT UNIT FACTOR (LUF)

LUF= 1.106 Acres x (1-(.02143 x (33.3-10)))

LUF = (An){1 - [0.02143(S - 10)]} = LUF =.554 nearest .001

- ✓ If the average slope is less than 10%, the LUF for the lot is equal to the net area.
- ✓ If the LUF is equal to 0.50 or less, you will need a **Conditional Development Permit.** Make an appointment with the Planning Director for further information.

B. It is actually a much bigger development than proposed 7632 sf
Review Worksheet #2

1) Please note that there is a total 2693 sqft DA credit applied for SB-9 unit, ADU and driveway. The actual 'real' development area is 7632 + 2693=10,325 sf.

2) Same applied to floored area, it is actually 4810+793+999= 6602 sf floored area

3) These HAS NOT included the planned chicken coop and green house yet. Including those, the development area will be likely another 1000 sf.

Question:

1) In fact, it is NOT a MDA 7500 sf development, it is actually a 10,325 sqft development + chicken coop (note they want to host 100 chickens, that will be minimally 500 sqft?) and a green house.

2) It is NOT a 4810 sf floored area development, it is actually 6,602 sf floored area

3) Question remains - for this lot, it originally would be qualified with MDA MFA 4415 sf and 2770 sf, respectively, is there precedent data support a development over 11000 sf and floored area above 6600 sf?

With comparable the land condition (Slope, soil type, earthquake zone, faultline, trees and potential atmosphere rivers 3+ times a year when building)?

(I would feel much safer to build 4415 sf on a flat 8000 sf lot, than on an acre of steep slope)

4) If not, should we not do thorough research and engineering evaluation?

What stopped us from a thorough evaluation?

Worksheet #2 attached.

Worksheet #2
Existing and Proposed Development Area and Floor Area
Submit with Application

Property Owner's Name: Naveen Vangala
Property Address: 0 La Barranca Road
Calculated By: Lea & Braze Engineering, Inc. Date: 10-16-2025

DEVELOPMENT AREA

	Existing	Proposed	DA Credit	Total
A. House and Garage from part 2.A	0	4,711	N/A	4,711
B. Accessory Dwelling Unit from part 2.B	0	793	793	0
C. Accessory Building from part 2.C	0	999	900	99
D. Driveway, Turnaround, and Parking	0	2,636	1000	1,636
E. Patios and Walkways	16	767	0	783
F. Recreation Court	0	0	N/A	0
G. Pool and Pool Decking	0	403	0	403
H. Decks	84	(84)	N/A	0
I. Solar Panels (ground mounted)	0	0	0	0
J. Any Other Coverage	361	(361)	0	0
TOTALS	461	9,864	2693	7632
MDA from Worksheet #1				7500

FLOOR AREA

	Existing	Proposed	FA Credit	Total
A. House and Garage				
a. First Floor	0	3526		3526
b. Second Floor	0			
c. Basement *(LAHMC 10-1.202)*	0	607		607
d. Garage	0	578		578
e. Area Over 17 ft *(LAHMC 10-1.202)*	0			
f. Attic Over 7 ft *(LAHMC 10-1.202)*	0			
B. Accessory Dwelling Unit (800 credit)		793	793	0
C. Accessory Buildings				
a. First Floor	0	999	900	99
b. Second Floor	0			
c. Basement *(LAHMC 10-1.202)*	0			
d. Attic	0			
TOTALS	0	6503	1693	4810
MFA from Worksheet #1				5000

Town Use Only
Checked By: Date:

C. Other concerns:

1) La Barranca Rd Traffic Safety: Driveway open is currently selected to be at a 'turning' spot where the views from all directions are obstructed. Is there a possible move of the driveway?

2) The plan is to install a pump to transfer waste water to the septic tanks located higher than the dwelling unit. Upon questioned by commission chair lady, their response was that the pump will be underground hence no noise.

   Please confirm whether they will put a generator that creates contant noise and smell.

II. Williamson Act Compativity

A. Will it be considered a Williamson Act property?

1) There are clear guidelines from County of Santa Clara
Agriculture is the primary use of the land,
A residential unit can only be incidental

2) There are California regulations on Agriculture land -mostly the size above 10 acres, or above 40 acres are two major categories.

3) California Real Estate standard for buying selling agriculture land requires owners do not primarily dwelling there, or the livable area be converted to residential. The hired workers can live on the agriculture zone.

4) Property tax assessment with Williamson Act. Because of the development value, the assessed property tax would only save on the 'land' value, not the building value.

B. If it is considered a Williamson Act property

1) City is expected to set clear guideline or put restrictions on how the farming activities can be managed: they would need Poultry farm sanitary practice infections disease prevention?, there need to be clear regulations on machine generated noise, air and land chemical pollution, workers background check and traffic in and out of place - it is commercial.

2) If they would have roosters? That can be very noisy too.

3) We seek city planning to ensure quiet enjoyment right for the neighbors.

III. City planner review - is it unbiased

Many residents feel and express otherwise.

 “ it is not unheard of”, One of our commission members said, regarding the difficulty to obtain a permit for an outdoor hot tub, while it seems soooo easy to get over to build a big construction on a steep lot that never has construction on it with little history to support.

Suggestion:

Smaller construction -maybe at the range 2500-4000 sf (including SB9 ADU main building) + driveway, to be comparable houses on the lots with similar features. This is purposed to reduce burden on the slope, reduce risk, secure safety.

Avoid removing soil from the slope area near the 2-3 neighbors directions. Remove soil from the land facing cowden pl is preferred. If not, move dirt from other place to the lot. I have very strong concern if they dig out soil in relevant amount from the slope that linked to the flat area, closer to property of 13119 La Barranca Rd. It is a steep slope there, let's not to cause any potential of sliding or collapsing

IF not, we would like to request a thorough evaluation of geological condition, architect condition, clear plan on heavy raining days 5-10 days, FoS, ancient slide etc etc. It has to be 360degree with depth -as we see it a high risk construction. And covering potential extreme weather and earthquake considerations.

Clear address to various concerns -
driveway /La Barranca Safety,
commercial poultry and farming
Generator for the septic tank pump?

Please share knowledge if there is comparable project (11,000 sf development on a S>33.3%, LUF at the range of 0.5-0.6, and on the Slope between higher and lower land, with faultlines) approved for a brand new construction.

We Appreciate Your Considerations,
We asked and asked, because we rely on it.

Petition Regarding Proposed Development at Unaddressed La Barranca Road
To the Planning Commission

We respectfully submit this petition requesting careful review of the proposed development at Unaddressed La Barranca Road. Given the site's significant topographic, geologic, and land-use constraints, we believe additional scrutiny is warranted before approval of the proposed project.

We respectfully request that the Planning Commission:

- Reduce the Actual development area (before the 'credits' applied) in the Unaddressed La Barranca Lot from 10325+ sf to less than 6000 sf total, including everything,main dwelling unit, accessory units, pool, driveway and agriculture etc.

It is a constrained hillside site with a 33.3% average slope, a Lot Unit Factor (LUF) of 0.554, fault-related limitations, and substantial grading requirements.

Demonstrate the safety and landstability with such an intense development on similarly constrained hillside by historic data, also by technological or engineering advance.

Require comprehensive and independent geotechnical, geological, drainage, seismic, and slope-stability evaluations, including Factors of Safety (FoS), fault assessments, historic landslide investigations, groundwater analysis, and performance during prolonged heavy rainfall and extreme weather events.

- Establish clear standards and conditions to ensure that any Williamson Act agricultural operation remains compatible with neighboring residential properties and does not unreasonably impact residents' quiet enjoyment.

- Address traffic safety, driveway access, environmental impacts, many tree removal, and the operational reliability of the proposed septic pump system.

[redacted]

I. Is the development advisable, with variance to MDA?

A. Is MDA increase for This lot suitable?

Review Worksheet #1

1) This specific lot has the characters - S is 33.3%, LUF is 0.554.
2) This specific lot has calculated MDA 4155 sf, MFA 2770 sf
3) MDA and MFA are 'allowed' to be 7500sf, and 5000 sf,respectively
4) Another note on the worksheet: The MDA and MFA are maximums allowed...City Counncil or Planning Commission may further limit development area or floor area due to site specific constraints or site visibility.

Discussion point

1) If a lot with LUF below 0.5, the MDA MFA would not be permitted to increase.
2) City also hold a code that if a lot with S >35%, it is conditional development permit gives MDA of 2500 sf
3) This lot S = 33.3%, LUF 0.554, Both are very close to the restriction where No increase would have been allowed,but approximate to a conditioned land restricted with MDA 2500 sf.

Question:

1) Is it truly Safe to allow increase of Development to the maximum allowed, MDA to 7500 sf, and MFA to 5000 sf?

2) Is there enough historic data to support such an increase in building size is sound and safe?

3) Is there great innovation in building or geological science technology, material, engineering, to support the increase as "GOOD, IDEAL" now than before?

4) Note, the construction cannot use the only flat area of the lot due to faultline setback. . The 'buildable' area Likely has S > 35%, LUF <0.5.

Had the lot come without the flat area, the city would not have agreed to have increased MDA MFA, and may stick to the 2500 sf of restriction.

Additional Request

1) Thorough report on geological and fault assessment. Mostly on FoS and reveal whether there were ancient slide

2) Independent consultant with knowledge on steep slope buildings.

Worksheet #1 attached.

TOWN OF LOS ALTOS HILLS

PLANNING DEPARTMENT
26379 Fremont Road • Los Altos Hills, California 94022 • (650) 941-7222 • FAX (650) 941-3160

WORKSHEET #1

CALCULATION OF AVERAGE SLOPE, LOT UNIT FACTOR
MAXIMUM DEVELOPMENT AREA, AND MAXIMUM FLOOR AREA

• TURN IN WITH YOUR APPLICATION •

PROPERTY OWNER'S NAME	Barbara Lumbard		
PROPERTY ADDRESS	La Barranca Rd APN 182-05-034		
CALCULATED BY	Marvin Lumbard Mechanical Engineer	DATE	5/17/21

1. CALCULATION OF AVERAGE SLOPE

A. CONTOUR LENGTH WITHIN NET AREA OF LOT (An)

CONTOUR	LENGTH (INCHES)	CONTOUR	LENGTH (INCHES)	CONTOUR	LENGTH (INCHES)	CONTOUR	LENGTH (INCHES)
						TOTAL	

See Attached Spread Sheet

Convert inches to feet (multiply by map scale) = (L) = 8013.43 feet

B. AVERAGE SLOPE WITHIN NET AREA OF LOT

S = (0.0023) (I) (L) / An

I = contour interval in feet

L = total length of contours in feet

An = net acreage of lot nearest .001

1.106 acre excluding road cut face at La Barranca

S = (0.0023)(2)(8013.43) / (1.106) = 33.3% nearest 0.1%

2. CALCULATION OF LOT UNIT FACTOR (LUF)

LUF= 1.106 Acres x (1-(.02143 x (33.3-10)))

LUF = (An){1 - [0.02143(S - 10)]} = LUF =.554 nearest .001

- ✓ If the average slope is less than 10%, the LUF for the lot is equal to the net area.
- ✓ If the LUF is equal to 0.50 or less, you will need a Conditional Development Permit. Make an appointment with the Planning Director for further information.

WORKSHEET #1
(continued)

3. CALCULATION OF MAXIMUM DEVELOPMENT AREA (MDA)

A. for S equal to or less than 10%
MDA = (LUF) (15,000) = _____ square feet*

B. for S greater than 10% and less than 30%
MDA = (LUF) [15,000 - 375(S - 10)] = _____ square feet*

C. for S equal to or greater than 30%
MDA = (LUF) (7,500) = 4155 7500 Per * square feet*

* If the MDA is less than 7,500 square feet (and the LUF is greater than 0.50), use 7,500 square feet for your MDA

4. CALCULATION OF MAXIMUM FLOOR AREA (MFA)

A. for S equal to or less than 10%
MFA = (LUF) (6,000) = _____ square feet**

B. for S greater than 10% and less than 30%
MFA = (LUF) [6,000 - 50(S - 10)] = _____ square feet**

C. for S equal to or greater than 30%
MFA = (LUF) (5,000) = 2770 5000 Per ** square feet**

** If the MFA is less than 5,000 square feet (and the LUF is greater than 0.50) use 5,000 square feet for your MFA.

NOTE: The MDA and MFA are maximums allowed by the Town Municipal Code. The City Council or the Planning Commission may further limit development area or floor area due to site specific constraints or site visibility (see "Site Development Policy Statement").

TOWN USE ONLY	CHECKED BY	DATE

B. It is actually a much bigger development than proposed 7632 sf
Review Worksheet #2

1) Please note that there is a total 2693 sqft DA credit applied for SB-9 unit, ADU and driveway. The actual 'real' development area is 7632 + 2693=10,325 sf.

2) Same applied to floored area, it is actually 4810+793+999= 6602 sf floored area

3) These HAS NOT included the planned chicken coop and green house yet. Including those, the development area will be likely another 1000 sf.

Question:

1) In fact, it is NOT a MDA 7500 sf development, it is actually a 10,325 sqft development + chicken coop (note they want to host 100 chickens, that will be minimally 500 sqft?) and a green house.

2) It is NOT a 4810 sf floored area development, it is actually 6,602 sf floored area

3) Question remains - for this lot, it originally would be qualified with MDA MFA 4415 sf and 2770 sf, respectively, is there precedent data support a development over 11000 sf and floored area above 6600 sf?

With comparable the land condition (Slope, soil type, earthquake zone, faultline, trees and potential atmosphere rivers 3+ times a year when building)?

(I would feel much safer to build 4415 sf on a flat 8000 sf lot, than on an acre of steep slope)

4) If not, should we not do thorough research and engineering evaluation?
What stopped us from a thorough evaluation?

Worksheet #2 attached.

Worksheet #2
Existing and Proposed Development Area and Floor Area
Submit with Application

Property Owner's Name: Naveen Vangala
Property Address: 0 La Barranca Road
Calculated By: Lea & Braze Engineering, Inc. Date: 10-16-2025

DEVELOPMENT AREA

	Existing	Proposed	DA Credit	Total
A. House and Garage from part 2.A	0	4,711	N/A	4,711
B. Accessory Dwelling Unit from part 2.B	0	793	793	0
C. Accessory Building from part 2.C	0	999	900	99
D. Driveway, Turnaround, and Parking	0	2,636	1000	1,636
E. Patios and Walkways	16	767	0	783
F. Recreation Court	0	0	N/A	0
G. Pool and Pool Decking	0	403	0	403
H. Decks	84	(84)	N/A	0
I. Solar Panels (ground mounted)	0	0	0	0
J. Any Other Coverage	361	(361)	0	0
TOTALS	461	9,864	2693	7632
MDA from Worksheet #1				7500

FLOOR AREA

	Existing	Proposed	FA Credit	Total
A. House and Garage				
a. First Floor	0	3526		3526
b. Second Floor	0			
c. Basement *(LAHMC 10-1.202)*	0	607		607
d. Garage	0	578		578
e. Area Over 17 ft *(LAHMC 10-1.202)*	0			
f. Attic Over 7 ft *(LAHMC 10-1.202)*	0			
B. Accessory Dwelling Unit (800 credit)		793	793	0
C. Accessory Buildings				
a. First Floor	0	999	900	99
b. Second Floor	0			
c. Basement *(LAHMC 10-1.202)*	0			
d. Attic	0			
TOTALS	0	6503	1693	4810
MFA from Worksheet #1				5000

Town Use Only
Checked By: Date:

C. Other concerns:

1) La Barranca Rd Traffic Safety: Driveway open is currently selected to be at a 'turning' spot where the views from all directions are obstructed. Is there a possible move of the driveway?

2) The plan is to install a pump to transfer waste water to the septic tanks located higher than the dwelling unit. Upon questioned by commission chair lady, their response was that the pump will be underground hence no noise.

   Please confirm whether they will put a generator that creates contant noise and smell.

II. Williamson Act Compativity

A. Will it be considered a Williamson Act property?

1) There are clear guidelines from County of Santa Clara
Agriculture is the primary use of the land,
A residential unit can only be incidental

2) There are California regulations on Agriculture land -mostly the size above 10 acres, or above 40 acres are two major categories.

3) California Real Estate standard for buying selling agriculture land requires owners do not primarily dwelling there, or the livable area be converted to residential. The hired workers can live on the agriculture zone.

4) Property tax assessment with Williamson Act. Because of the development value, the assessed property tax would only save on the 'land' value, not the building value.

B. If it is considered a Williamson Act property

1) City is expected to set clear guideline or put restrictions on how the farming activities can be managed: they would need Poultry farm sanitary practice infections disease prevention?, there need to be clear regulations on machine generated noise, air and land chemical pollution, workers background check and traffic in and out of place - it is commercial.

2) If they would have roosters? That can be very noisy too.

3) We seek city planning to ensure quiet enjoyment right for the neighbors.

July 7, 2026

0 La Barranca Rd
Los Altos Hills, California 94403

Subject:	**Neighbor's Petition Regarding Proposed Development**
Regarding Property:	0 La Barranca Rd Los Altos Hills, California 94403

Neighbor Comment 1

Demonstrate the safety and land stability of the proposed hillside development.

Response:

- The project is supported by **site-specific geotechnical, civil, and structural engineering studies** prepared by licensed professionals.
- Comprehensive evaluations include **geology, fault setbacks, slope stability, soils, drainage, grading, and foundation design**.
- The design complies with the **California Building Code** and current engineering standards.
- The project is subject to **independent review** by the Town Geologist, Town Engineer, and Building Division before permits are issued.
- The application includes detailed geotechnical, grading, drainage, and civil engineering reports demonstrating that the site can be safely developed.
- The project team includes experienced and highly qualified consultants, including Lea & Braze Engineering (civil engineering) and Quantum Geotechnical (geotechnical engineering), who prepared the technical studies supporting the application.

Neighbor Comment 2

Require comprehensive and independent geotechnical, geological, drainage, seismic, and slope-stability evaluations.

Response:

- The application includes comprehensive **geotechnical, geological, grading, drainage, and civil engineering reports** prepared by licensed professionals.
- The studies evaluate **fault setbacks, slope stability, drainage, groundwater, grading, and foundation design**.
- All reports are **independently reviewed by the Town Geologist and Town Engineer** as part of the entitlement process.
- The project cannot proceed until all engineering recommendations and Town conditions are incorporated into the final construction documents.

M·Designs Architects
(650) 565-9036
www.MDesignsArchitects.com

Neighbor Comment 2A

Ensure Williamson Act agricultural operations remain compatible with neighboring residential properties.

Response:

- The project is designed to remain **consistent with the Williamson Act** and applicable Town regulations.
- Proposed agricultural improvements are **limited in scale** and support permitted agricultural use.
- The project remains subject to **Williamson Act requirements, Town development standards, and any Planning Commission conditions of approval**.
- Agricultural activities must continue to comply with **Town regulations governing noise, nuisance, and property maintenance**
- The Applicant respectfully relies on the Town staff's professional analysis and recommendations regarding Williamson Act compliance as reflected in the staff report.

Neighbor Comment 2B

Address traffic safety, driveway access, environmental impacts, tree removal, and the operational reliability of the proposed septic pump system.

Response:

- **Driveway access** has been designed to meet **Fire Department** requirements and is subject to review by the **Town Engineer and Fire District**.
- **Environmental impacts** are addressed through the project's **grading, drainage, erosion control, and stormwater management plans**.
- A **certified arborist** has prepared a tree assessment, and all proposed tree removals are subject to **Town review and approval**.
- The **onsite septic system**, including the pump system, has been designed by highly qualified professionals in the Bay Area and is reviewed by **Santa Clara County Environmental Health** and the Town to ensure reliable operation.

Neighbor Comment 3A

Is the proposed MDA/MFA increase appropriate for this site?

Response:

- The project complies with the Town's **Worksheet #1** methodology and Municipal Code.
- The property qualifies for the maximum allowable **7,500 SF MDA** and **5,000 SF MFA** based on its **LUF of 0.554**.
- We have **revised the design** of the project to **below** these limits with **7,495 SF MDA** and **4,683 SF MFA**.
- The Planning Commission retains discretion to consider site-specific constraints, and the project has been designed to address **topography, fault setbacks, grading, and visual impacts**.

M·Designs Architects
(650) 565-9036
www.MDesignsArchitects.com

- The proposed development is supported by **geotechnical, civil, drainage, arborist, and fire access studies**, all of which are subject to independent Town review prior to approval.

Questions regarding the safety and suitability of allowing the maximum MDA/MFA on this site.

Response:

- Project safety is determined by **site-specific geotechnical, structural, civil, drainage, and building code analyses**, not solely by the allowable MDA or MFA.
- The project is supported by **comprehensive engineering studies** prepared by licensed professionals using current geotechnical and structural engineering standards.
- The residence location reflects **fault setbacks, topography, grading limitations, fire access, and environmental constraints**.
- The project is subject to **independent review by the Town Geologist, Town Engineer, and Planning Staff** before approval.
- Steep hillside sites with similar topographic constraints are characteristic of many properties in Los Altos Hills, and the Town has established a comprehensive review process to evaluate development on such sites.

Request for additional geotechnical studies and independent review.

Response:

- The application already includes comprehensive **geotechnical, geological, fault, drainage, and slope stability reports** prepared by licensed professionals.
- The technical studies were prepared independently by licensed professionals, each providing their own code-based analysis and recommendations within their respective area of expertise.
- These reports are **independently reviewed by the Town Geologist and Town Engineer** as part of the entitlement process.
- Any additional studies or revisions requested by the Town will be completed prior to project approval.

Neighbor Comment 3B

The actual development is much larger than the stated MDA/MFA after applying Town credits.

Response:

- The submitted plans **clearly distinguish** between **gross development area** and the **code-counted MDA/MFA**, consistent with the Town's Worksheet #2 methodology.
- The **project has been revised** to comply with the Town's maximum allowable limits of **7,500 SF MDA** and **5,000 SF MFA**, with a proposed **7,495 SF MDA** and **4,683 SF MFA**.
- Agricultural structures are **already included** in the submitted development area calculations and are not omitted from the project review.

M·Designs Architects
(650) 565-9036
www.MDesignsArchitects.com

Neighbor Comment 3C

Traffic safety, driveway location, and septic pump operation.

Response:

- **Driveway access** has been designed to meet **Fire Department** requirements and is subject to review by the **Town Engineer and Fire District**.
- The wastewater pump is part of the engineered septic system and **operates automatically only as needed**; it is **not intended for continuous operation**.
- The current application **does not include a standby generator.** Any future generator would require separate permits and must comply with applicable Town noise and development standards.

Neighbor Comment 4

Williamson Act Compatibility

Response:

- Proposed agricultural improvements (greenhouse and accessory structures) are **limited in scale** and are included in the submitted development area calculations (549 SF agricultural coverage).
- The project **does not propose** a commercial poultry farm, agricultural processing, employee housing, or other commercial agricultural uses.
- Any future agricultural activities remain subject to **Town ordinances, County regulations, and any Planning Commission conditions**, including requirements related to noise, nuisance, public health, and property maintenance.
- Operational concerns such as animal management, odors, sanitation, and traffic are **regulated through applicable agencies and municipal regulations**, and are not determined by the architectural planning application under review.

The Applicant respectfully requests that this response be forwarded to the neighbors. We appreciate their interest in the project and welcome the opportunity to discuss any additional questions or concerns they may have. Please feel free to contact us directly at any time. We are committed to working collaboratively with the Town and our neighbors to facilitate a successful project and to proactively address any issues throughout the planning, permitting, and construction process.

Sincerely,
M·DESIGNS ARCHITECTS

Ni Ni Lead Designer
M·Designs Architects
384 Castro Street,
Mountain View, CA 94041
Phone: (650) 565-9036

ENVIRONMENTAL DESIGN and PROTECTION COMMITTEE

New Residence, Addition/Remodel, 2nd Unit

Application For: New Residence, SB9, ADU, Williamson Act. (Grading Variance?)
Applicant Name: Naveen Vangala & Shalini Tokala
Site Address: 0 La Barranca APN #182-05-034
Reviewed By: Anna & Carol
Field Trip Date: May 15, 2026
Planner: Jonathan Fox
Due Date: May 29, 2026
File Number: SD25-0072

- Request to Remain in the Williamson Act
- Highly Constrained Lot
- Area Designed as Open Space Conservation as designated in the Land Use Element
- Twelve Heritage Oak Trees plus other lesser trees to be removed.
- Grading Variance Needed.
- Carports count as Floor Area
- Non-daylighted area not counted as Floor Area – Does not meet basement requirements.
- ADU is two stories and located in area of 30 percent slope.
- Septic Plumb located within the 30-Setback Area
- Location of Pool Equipment Not Shown
- Noise Mitigation from Highway Not Mentioned.
- Entry from La Barranca is 28 feet wide.
- Net Acreage Not Shown but needed to base MFA & MDA calculations.



Trees that will be removed from site.

SITE INFORMATION:

The site is located to the left as you travel up La Barranca and was created by a parcel split (13027 La Barranca?), according to the owner of 0 La Barranca. The site is designated as an Open Space Conservation Area (GIS Data Base and 2008 Land Use Map). It also has fault zones which limit the area that can be developed with habitable development, and it is under the Williamson Act. If you look at the topography of the land, it fits the description of a knoll. The land slopes downward toward La Barranca to the north and slopes downward towards the ravine to the south. To the west the neighbor's home is sited below the subject's property and to the east the home is again sited below the subject's property.

Williamson Act:

The Williamson Act allows property owners to designate between 40 to 10 acres for agricultural purposes and receive a property tax break for a definite period time. If the owner of the land chooses to remove the land from the Williamson Act, they either pay an increase in tax over designated number of years or a onetime buyout. According to Eric Bredo, the Town designated all its land as agricultural at its inception; therefore allowing smaller sites to be under the Williamson Act.

The GIS Data Base does not show that it is under the Williamson Act; however, the owners are petitioning to keep the site in the Williamson Act although the site is being highly developed and the owner's Farming Operation Letter did not mention the Williamson Act. Some of the areas that are shown for vegetable gardening are in areas where the slopes drop off into the ravine below and should be left in its natural state.



View from site to La Barranca

SITE IMPACT *(Location: Ridgeline/Hilltop/Knoll, Slopes, Views)*

La Barranca Road was designed to meander through the bottom of the canyon to connect the flat area of Purissima Road with Elena Road. Both sides of the road slope upward until it meets the crest of the road at La Barranca where it flattens out. To achieve the present development configuration the driveway enters midway through the steeper area of the bank and the driveway entrance from La Barranca is 28 feet wide. The combined cut and fill depth for the driveway exceeds the Town Grading Policy. Not to mention the height of the retaining walls needed to achieve the design of structures.

Twelve Heritage Oaks along with Oak Trees of lesser width and other trees will be removed from the site to achieve the design of structures along with the septic field. The septic tank and pump are located within the 30-foot setback. Pool pumps and air conditioners are not allowed in the setbacks. Are septic tanks pumps allowed in the 30-foot setback area?

The house design is very prominent and will alter the look of the site and the neighborhood.

Neighbors: (Views, Screening, Noise)

With the elimination of almost all the trees, the house will be very visible to the east and north neighbors. The north neighbors have two balconies overlooking their home which depending on the screening will be invasive to their privacy.

Residence: (Setbacks, Color/Reflectivity, Roof Type, Skylights, Lights)

Setbacks: The 40 front and 30 side setbacks are compliant.
40-Foot Street Steep Slope Setback: A small area of the house is shown within it.
Easterly Setback for Fault Line: A small area of the house is within it.

Color/Reflectivity: Colors Shown look compliant.
Roof Type: Combination of sloped and flat. Was the skylight included in the roof height of the building?
Skylight: Skylight protrudes above the roof. Recommend Shade on Timer or skylight be redesigned at roof level. The question again was the height of the skylight included in the height of the house shown.

ENVIRONMENT *(Pathways, Open Space, Riparian Habitat, Heritage Trees, other mature trees)*

Open Space Conservation Easements: Should be required over the 40-Foot Steep Slope Setback and on the southern boundary of the property as most of the areas have slopes of over 30 percent.

Heritage Trees: At least 12 Oaks Trees should be required to be planted on the property if not more for ones that have been eliminated.

Pathway: Both paved and native on the opposite side of the road.

The applicant should refer to the EDPC landscaping guide to be prepared for the landscaping phase: http://www.losaltoshills.ca.gov/DocumentCenter/View/4764/Landscaping-Guide-21?bidId=



One of areas of tree removal.

TREE REMOVAL & REPLACEMENT

Twelve Heritage Oaks are shown to be removed along with many other lesser trees. At least 12 Oaks should be replaced. Palm trees shown in the renderings are not recommended . The removal of these trees may increase the noise from Highway 280.

WILDFIRE SAFETY *(Defensible Space, Zones, Tree Spacing, Ladder Fuels, Mulch)*

According to the GIS information it is in a moderate area. The property needs to be cleared of its existing vegetation, prior to building. The owner did stated that did the site cleared earlier.

Please refer to the Fire Safe Council's recommendations for defensible space: https://cafiresafecouncil.org/resources/fire-safety-information-for-residents/

OPTIONAL *HARDSCAPE (MDA), FENCE/GATES (Height, location, style), LIGHTING*

Gross Acres: Shown as 1.64 or 50,718 sq. feet.

Net Acres: 45,200.47 sq. feet. Does this figure include the factor of a 5 -foot General public easement on all sides of the property and a slope easement and fault easements.? Was the slope factor applied to that number? What is net acre total for the calculation of floor area and development area?

Carports: Are counted as floor area.

Non-Daylighted Area: MUD Room and Storage are not counted as Floor Area. However, the area does not meet the basement definition, or does it?

ADU: The ADU is two stories and in an area of a 30 percent slope? Is this compliant?

Pool: Pool lights must face the home.

Pool Equipment: Location is not Shown: Shall be enclosed on all four sides for noise mitigation and screening. Pool equipment shelter shall be modified to include sound attenuation material on the inside, and the exterior of the shelter shall utilize exterior materials and colors matching the existing residence. Pool equipment location?

Lighting:
Fixtures: Are the Lightnologhy light fixtures compliant?

All exterior lighting must conform to the town's dark sky standards:

	Maximum Light Emission (Lumens, Φv)	Maximum Color Temperature (Kelvin, K)
Path Lights	200	2700
Step Lights	110	2700
Exterior Wall Sconces	600	3000
Front Door Pendants	600	3000
Gate Lights	600	3000

Parking: Parking for the ADU and SP9 not shown.

Drainage: Very critical to the downhill neighbors**.** Are the garden pots which the drainage flows into from the roof connected to a French Drain?

Solor: Not shown. cannot extend past the 27-foot height limitation.

Noise: The owner mentioned the noise from Highway 280. Recommend triple pane windows for the balconies that face east.



Location of the septic fields at the top of the property. Also only the chimney of the House to the west is visible.

Comments: Garages and pools are not habitable space. Can they be placed within the fault zone setbacks? If so, a more compatible design might be achieved. Is there another area that could be used for the septic fields?

TOWN OF LOS ALTOS HILLS Open Space Committee Regular Minutes June 10th 2026

Richard Contreras called the meeting to order at 10:02pm.
Members Present: Richard Contreras, Peter Brown, Sarah He, Eric Bredo
Council Liaison: Stan Mok
Associate member: Kit Gordon
Staff: Jonathan Fox, Bageshri Thakar
Residents:0 La Barranca owner, 13871 Robleda owner
Support professionals hired by residents: Peter of Lea & Braze, Karen (landscape architect), Randy (architect)

Meeting start was delayed waiting for quorum attendance. Discussion delays due to Zoom difficulties.

Announcements: Open Space Committee hosted a table at the picnic. There were a few residents interested in the committee's work.

PB moved and EB 2nd accepting the minutes from the May 13 2026 meeting. **Motion passed**.

Property Reviews:
0 La Barranca: A new 2-story residence is proposed on a vacant lot. The lot is highly constrained with slopes >30% an earthquake fault through middle section of property, and an Open Space Conservation Area along the south property line. Owner requests variance to 1) develop on slopes >30%, 2) exceed MDA by 500sqft and 3) to excavate/grade more than our ordinances allow. Most of the grading variance is to allow for wide driveway over steep slope. Fire district requested wider driveway. Previously, committee members recommended a U-shaped OSE over the majority of slopes that are >30%.
PB motioned, RC 2nd: Recommend OSE in a U-shaped over the majority of slopes >30,% similar to diagram presented at the meeting. The small bits of steep slopes near the proposed septic tank would be excluded. The existing slope easement along La Barranca would be excluded. **Motion passed.**

11:00 Sarah He left the meeting and therefore no quorum for remaining items.

13871 Robleda: Fence review
Property owner wishes to construct two fences with sections over and adjacent to the existing OSE. The OSE is along the west border, over the buried Robleda Creek. The committee questioned the need for the fence to extend to property line and suggested benefits to wildlife and car safety if a wildlife friendly section existed between the new fence and the property line.
PB and RC recommended that the existing rules for fences along and over OSE be enforced.

GI			PL			LOC		

4184845

BOOK 9086 PAGE 528

4184845

BOOK 9086 PAGE 528

RECORDED AT REQUEST OF City of Los Altos Hills

JAN 31 3 29 PM '72

OFFICIAL RECORDS SANTA CLARA COUNTY GEORGE E. FOWLES RECORDER

NO FEE

LAND CONSERVATION CONTRACT

This is an agreement between the Town of Los Altos Hills, State of California (hereinafter called "Town"), and

Leroy M. Lumbard and Barbara A. Lumbard

(hereinafter called "Owner").

WHEREAS, Owner possesses certain real property located within the Town of Los Altos Hills, County of Santa Clara, State of California, which is presently devoted to agricultural use and is described in Exhibit B attached hereto and made a part hereof; and

WHEREAS, the property is located in an agricultural preserve heretofore established by the Town; and

WHEREAS, both Owner and Town desire to limit the use of the property to agricultural and compatible uses; and

WHEREAS, the parties have determined that the highest and best use for the property during the term of this contract, or any renewal thereof, shall be for agricultural purposes.

NOW, THEREFORE, Town and Owner agree as follows:

1. CONTRACT SUBJECT TO CALIFORNIA LAND CONSERVATION ACT OF 1965

This contract is entered into pursuant to Chapter 7 (commencing with Section 51200) of Part 1, Division 1, Title 5 of the Government Code, which is known as the California Land Conservation Act of 1965. This contract is subject to all of the provisions of this Act including any amendments thereto which may hereafter be enacted.

2. RESTRICTION ON USE OF PROPERTY

During the term of this contract, and any and all renewals thereof, the property described in Exhibit B shall not be used by Owner, or Owner's successors in interest, for any purpose other than the production of agricultural commodities for commercial purposes and uses compatible thereto. A list of all such compatible uses is set forth in Exhibit A, attached hereto and by this reference incorporated herein. Town, by Ordinance adopted by

#72.903

4184845 JAN 31 1972

GI			PL			LOC		

the City Council of the Town, may from time to time during the term of this contract and all renewals thereof, add to the list of compatible uses which shall be uniform throughout the agricultural preserve in which the property in Exhibit B is located; provided, however, Town may not during the term of this contract or any renewal thereof, without the prior written consent of Owner, remove any of the compatible uses for the subject property which are set forth in Exhibit A. The provisions of this contract and any Ordinance supplementing the list of compatible uses are not intended to limit or supersede the planning and zoning powers of Town.

3. TERM OF CONTRACT

This contract shall become effective on the date of execution and shall remain in full force and effect for an ititial term of ten years. The initial term of ten years shall be measured commencing as of the first day of January next succeeding the date of execution if the date of execution is between March 2 and December 31. The initial term of ten years shall be measured commencing as of the first day of January of the year of execution if the date of execution is between January 1 and March 1. Each succeeding first day of January shall be deemed to be the annual renewal date of this contract. This contract shall be renewed on each succeeding January 1 and one additional year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in paragraph 4.

4. NOTICE OF NONRENEWAL

(a) If either party desires in any year not to renew this contract, that party shall serve written notice of nonrenewal upon the other party in advance of the annual renewal date of this contract. Unless such written notice of nonrenewal is served by Owner at least 90 days prior to the renewal date, or by Town at least 60 days prior to the renewal date, this contract shall be considered renewed as provided in paragraph 3 above.

(b) If either party serves written notice of nonrenewal in any year within the time limits of (a) above, this contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of this contract, as the case may be.

5. NO COMPENSATION

Owner shall not receive any payment from Town in consideration of the obligations imposed under this contract, it being recognized and agreed that the consideration for the execution of this contract is the substantial benefit to be derived therefrom, and the advantage that may accrue to Owner as a result of the effect upon the assessed value of the property on account of the restrictions on the use of the property contained herein.

6. SUCCESSORS IN INTEREST

This contract and the restrictions imposed hereunder shall be binding upon, and inure to the benefit of, the successors in interest of the Owner. Whenever any of the property described in Exhibit B is divided, the owner of any parcel may exercise, independent of any other owner of a portion of the divided property, any of the rights of the owner in this contract, including the right to give notice of nonrenewal and to petition for cancellation. The effect of any such action by the owner of a parcel created by the division of land described in Exhibit B shall not be imputed to the owners of the remaining parcels and shall have no effect on this contract as it applies to the remaining parcels of the divided property.

7. CANCELLATION

This contract may be cancelled and a cancellation fee imposed pursuant to the provisions of the Land Conservation Act of 1965.

8. NOTICES

All notices required or permitted by this contract, including notice of a change of address, shall be in writing and given by personal delivery or sent by United States Mail addressed to the party intended to be notified. Notice shall be deemed given as of the date of delivery in person or as of the date when deposited in any post office or any post office box regularly maintained by the United States Government.

Notice to the Town shall be addressed:

City Clerk
26379 Fremont Road
Los Altos Hills, California 94022

Notice to Owner shall be addressed:

Name: Leroy H. Lumbard and Barbara A. Lumbard
Address 13027 La Barranca Way, Los Altos Hills, CA.
City and State Zip Code

JAN 31 1972 11:15

GI		PL		LOC	

BOOK 9686 PAGE 531

IN WITNESS WHEREOF the parties hereto have caused this contract to be executed: by Owner on September 27, 1971 and by Town on 1/17/72.

TOWN OF LOS ALTOS HILLS

Mayor

ATTEST:

TED J. KRUZEK
City Clerk
Town of Los Altos Hills

Evelyn M Lundquist

Evelyn A. Lundquist
(Owner)

APPROVED AS TO FORM:

-4-

JAN 31 1972

11615

GI			PL			LOC		

BOOK 0656 PAGE 232

EXHIBIT A

LAND CONSERVATION CONTRACT
COMPATIBLE USES

The following is a list of land uses determined to be compatible with the agricultural use of the land subject to this agreement:

1. Agriculture, including but not limited to horticulture and grazing
2. Forest preserves
3. Open space uses
4. Primary dwellings
5. Secondary dwellings
6. Churches
7. Recreational facilities
8. Nurseries
9. Private schools
10. Public utility and service uses
11. Private and commercial stables

EXHIBIT A

JAN 6 '72
10:15

GI			PL			LOC		

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA CLARA)

On this ____day of_____, before me, the undersigned, a Notary Public in and for the State of California with principal office in the County of Santa Clara, residing therein, duly commissioned and sworn, personally appeared_____ known to me to be the_____of_____ _____. the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its By-Laws or a resolution of the Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

_____
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA CLARA)

On this 27th day of September, 1971, before me, the undersigned, a Notary Public in and for the State of California with principal office in the County of Santa Clara, residing therein, duly commissioned and sworn, personally appeared Leroy M. Lambert and Barbara R. Lambert known to me to be the persons described in, whose names are subscribed to and who executed the within instrument, and acknowledged that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

OFFICIAL SEAL
FRANCES M. MUNZELL
NOTARY PUBLIC — CALIFORNIA
PRINCIPAL OFFICE IN THE
COUNTY OF SANTA CLARA
My Commission Expires March 4, 1973

Frances M. Munzell
Notary Public in and for the State of California

JAN 27 1972

GI			PL			LOC		

Form No. 1056-4
ALTA Policy Forms

BOOK 9686 PAGE 534

SCHEDULE C

The land referred to in this policy is situated in the State of California, County of Santa Clara, City of Town of / and is described as follows:
Los Altos Hills,

Lot 3 of Tract No. 3924, a resubdivision of Lots 1, 2, 3 and 6 in Block T of Tract No. 2842 Fremont Hills Unit No. 6, the Map of which Tract No. 3924 was filed November 15, 1965 in Book 202 of Maps, page 22, Santa Clara County Records.

Assessor's Parcel No. 182-5-34

JAN 21 1972
11-1915

GI
PL
LOC
TRACT Nº 2842 B.K.
FREEMONT HILLS-UNIT
TR. Nº 3924
ELENA
WAY
RECORD OF SURVEY
JUNIPERO SERRA FREEWAY
ROAD
JAN 31 1972

Farming Operation & Business Plan at APN 182-05-034 La Barranca Rd, Los Altos Hills, CA 94022

We are the owners of the above open-land property, currently operating a small farming business Scripps Farms (https://www.scrippsfarms.com). Our plan is to establish this farm in the greenhouse after moving to the above location. As the following details will show, this plan includes growing vegetable and specialty potted plants in approximately 14 x 21 sq. ft. of the green house.

The uniqueness of our farming plan arises from the motivation to support healthy living of the communities near and far by offering ready-to-grow-in-your-backyard potted plants and high-quality eggs. We strongly believe in the saying “we are what we eat” and our plan offers ultimate freedom to the working families in several things: choice, freshness, taste, quality, happiness and finally satisfaction of growing their own food – worry free.

Potted Plants Operation

We will grow both vegetable plants and specialty potted plants using organic seeds sourced from the highly trusted vendors across the nation (Kitazawa Seed Company and Eden Brothers). All the plants will be started in propagation module trays through manual or automated seeding for germination in early December and then transplanted into gallon sized pots in early March, all situated within the greenhouse. Typical vegetable plants include peppers, tomatoes and spinach. Specialty plants include curry leaf, neem, moringa and Arabian jasmine. Plants will be sold online through the existing website (https://www.scrippsfarms.com).

Chicken Eggs

Chicken eggs will be a limited operation - we plan to raise a small number of chickens (no roosters) in a section of the greenhouse (14 x 14 sq. ft). Eggs will be sold online alongside the potted plants or at local grocery stores through arrangement.

No foot traffic is expected related to this operation, which will be fully managed online.





Naveen Vangala &
Shalini Tokala

Los Altos Hills, 07/01/2026

Williamson Act Overview – CA Department of Conservation [LINK]

https://www.conservation.ca.gov/dlrp/wa/Pages/wa_overview.aspx

Williamson Act Statutory References – CA Department of Conservation [LINK]

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?chapter=7.&division=1.&lawCode=GOV&part=1.&title=5.&utm

California
Department of Conservation
Division of Land Resource Protection

Williamson Act & Compatible Use

Land Conservation Act of 1965

Monique Wilber
Farl Grundy
Annie Giovacchini
Division of Land Resource Protection
Williamson Act / CEQA
LCA@conservation.ca.gov
https://www.conservation.ca.gov/dlrp/wa

Williamson Act & CEQA Program

Monique Wilber	Senior Environmental Planner/Manager
Farl Grundy	Associate Environmental Planner
Annie Giovacchini	Associate Environmental Planner

California Department of Conservation

Team WA/CEQA!







Land Conservation Act of 1965 “Williamson Act”



- Voluntary program/contracts
- Local rules and regulations
- Restricts land usage
- 10-20 year contracts
- Contract renew annually
- Contract runs with the land



Intent of the Williamson Act

- Preservation of ag land
- Conservation of open space
- Discourage conversion of ag land to urban uses

What is DOC's Role?

California Department of Conservation

- Provide technical assistance and advice (GC § 51206)
- Detailed review of WA processes
- Data/records retention, annual WA enrollment reports
- CEQA / WA review and commenting (CEQA appendix G)





California Department of Conservation

What's in it for the Landowner?

- Taxed on generated income vs. potential market value
- Revenue & Taxation Code Section 421-431
- ~ 20-70% property tax reduction
- Tax savings can be reinvested

What's in it for the Community?

- Ensures locally produced food and fiber
- Creates stability for support industries
- Provides buffers (planning tool)
- Mitigation



Compatible Use

- Principles of Compatibility
- Government Code Section 51238.1
- Varies by jurisdiction
- Solar
- Agritourism





Defined Compatible Uses



- Predefined Compatible Uses
- Government Code Section 51238
- Gas
- Water
- Communications
- Ag Labor Housing
- Commercial Cannabis Government Code Section 51231(b)

Mineral Extraction, Compatible Use?



- Government Code 51238.2
- Underlying commitment to preserve land
- Surface Mining & Reclamation Act of 1975



California Department of Conservation

Compatible Use: Solar?

Compatible Use: Solar?

- No compatibility findings

  = Cancellation

- Size, scale, scope



Compatible Use: Agritourism?

- Agritourism definition
- Roadside fruit stand
- Tasting Rooms
- Wedding / Event Centers
- Bed and Breakfast
- Where to draw the line















Compatible Use: Agritourism?

- Farm Tours
- Farm Stays
- Farm / Event Center
- Where to draw the line
- Size, scale, scope

Pop Quiz / Recap / Takeaways

- What year was the Williamson Act introduced?
- The offering of contracts and direct implementation of the Act is done by who?
- If a county or city choses to offer WA contracts, what must it first do?
- What is the State's role in the Williamson Act?
- What is the overarching Government Code that guides compatible use called? Bonus points for the section number?
- Ultimately, who determines and approves compatible uses?
- Are compatible uses universal in all jurisdictions?
- Name one land use that may be considered a compatible use as outlined in Government Code?

- The Williamson Act was first introduced in 1965 by John Williamson of Yolo County.
- Contracts and direct implementation of the Act is done by the participating County/City.
- A county or city which choses to participate in the Act must first establish its own set of rules and regulation for implementation of the Act including compatible uses.
- The State's role in the WA is to provide technical assistance, guidance, and advice with Williamson Act related Government Code as they relate to local implementation of the Act
- Compatible uses are guide by Government Code Section 51238.1, commonly referred to as the Principles of Compatibility.
- Compatible uses are determined and approved by the participating county or city.
- Compatible uses may, and often do, vary between the participating counties or cities.
- Gas, Water, Communications, Ag Labor Housing, Mineral Extraction, & Commercial Cannabis, may be considered a compatible use per Government Code.

California
Department of Conservation

THANK YOU

Questions?

Williamson Act/CEQA Team
LCA@conservation.ca.gov
https://www.conservation.ca.gov/dlrp/wa

TOWN OF LOS ALTOS HILLS

LEA & BRAZE ENGINEERING, INC.
CIVIL ENGINEERS • LAND SURVEYORS

CALCULATIONS BY LEA & BRAZE ENGINEERING (510) 887-4086

WORKSHEET #1

CALCULATION OF AVERAGE SLOPE, LOT UNIT FACTOR (LUF)
MAXIMUM DEVELOPMENT AREA (MDA), AND MAXIMUM FLOOR AREA (MFA)

PROPERTY OWNER(S)	Naveen Vangala		
PROPERTY ADDRESS	0 La Barranca Road		
CALCULATED BY	G. Mejia	**DATE**	04/16/25
REFERENCE MAP:	Survey by MACLEOD AND ASSOCIATES Job #4823-TOPO	**JOB#**	2240057

1. CALCULATION OF AVERAGE SLOPE **(BASED ON EXISTING CONTOURS)**
(PAVED AREA WITHIN INGRESS/EGRESS EASEMENTS EXCLUDED FROM CALCULATIONS)

GROSS AREA =	50,717.60 SQFT.	=	1.164 ACRES
PAVED AREA WITHIN EASEMENT =	0.00 SQFT.	=	0.000 ACRES
NET AREA =	50,717.60 SQFT.	=	1.164 ACRES

A. NET AREA (An) 1.164 ACRES
B. CONTOUR INTERVAL (I) 2 ft.
C. DRAWING SCALE 1" = 16'
D. CONTOUR LENGTH WITHIN NET AREA OF LOT (An)

CONTOUR	LENGTH (FEET)		CONTOUR	LENGTH (FEET)		CONTOUR	LENGTH (FEET)		CONTOUR	LENGTH (FEET)
410	6		446	385		482	45		518	
412	12		448	383		484			520	
414	19		450	365		486			522	
416	40		452	354		488			524	
418	62		454	342		490			526	
420	84		456	332		492			528	
422	107		458	323		494			530	
424	133		460	318		496			532	
426	162		462	319		498			534	
428	192		464	303		500			536	
430	231		466	284		502			538	
432	293		468	267		504			540	
434	420		470	248		506			542	
436	418		472	223		508			544	
438	410		474	196		510			546	
440	400		476	170		512			548	
442	391		478	142		514			550	
444	384		480	104		516			552	
									TOTAL	8,865

E. AVERAGE SLOPE WITHIN NET AREA OF LOT

$$S = \frac{(0.0023)\ (2.0\ FT)\ (8865\ FT)}{(1.164)} = \mathbf{35.0\%}$$

2. CALCULATION OF LOT UNIT FACTOR (LUF)

LUF = (An){1-[0.02143(S-10)]} = **0.540**

3. CALCULATION OF MAXIMUM DEVELOPMENT AREA (MDA)
MDA= 7,500 SQUARE FEET

4. CALCULATION FOR MAXIMUM FLOOR AREA (MFA)
MFA= 5,000 SQUARE FEET



Note 1: **If the slope is less than 10%, the LUF for the lot is equal to the net area.**

Note 2: **If the LUF is greater than 0.5, The MDA is 7,500ft^2 (minimum).**
If the LUF is greater than, or equal to, 0.5, The MFA is 5,000ft^2 (minimum).

Note 3: **If the LUF is equal to or less than .50, you will need a conditional development permit.**
A variance is required for development area greater than 4,500 square feet.
A variance is required for floor area greater than 2,500 square feet.
Make an appointment with the Town Planner for further information.

TOWN USE ONLY	**CHECKED BY:**	**DATE:**

Worksheet #2
Existing and Proposed Development Area and Floor Area

Submit with Application

Property Owner's Name: Naveen Vangala
Property Address: 0 La Barranca Road
Calculated By: Lea & Braze Engineering, Inc. Date: 07-07-2026

1. DEVELOPMENT AREA

		Existing	Proposed	DA Credit	Total
A.	House and Garage from part 2.A	0	4,584	N/A	4,584
B.	Accessory Dwelling Unit from part 2.B	0	793	793	0
C.	Accessory Building from part 2.C	0	999	900	99
D.	Driveway, Turnaround, and Parking	0	2,714	1,016	1,698
E.	Patios and Walkways	16	549	0	565
F.	Recreation Court	0	0	N/A	0
G.	Pool and Pool Decking	0	0	0	0
H.	Decks	84	(84)	N/A	0
I.	Solar Panels (ground mounted)	0	0	0	0
J.	Any Other Coverage	361	188	0	549
	TOTALS	461	9,742	2,709	7,495
	MDA from Worksheet #1				7500

2. FLOOR AREA

		Existing	Proposed	FA Credit	Total
A.	**House and Garage**				
	a. First Floor	0	546		546
	b. Second Floor	0	3526		3526
	c. Basement *(LAHMC 10-1.202)*	0			
	d. Garage	0	512		512
	e. Area Over 17 ft *(LAHMC 10-1.202)*	0			
	f. Attic Over 7 ft *(LAHMC 10-1.202)*	0			
B.	**Accessory Dwelling Unit (800 credit)**		793	793	0
C.	**Accessory Buildings**				
	a. First Floor	0	999	900	99
	b. Second Floor	0			
	c. Basement *(LAHMC 10-1.202)*	0			
	d. Attic	0			
	TOTALS	0	6,376	793	4,683
	MFA from Worksheet #1				5000

Town Use Only

Checked By: _____ Date: _____

This item includes project plans and cannot be posted online.

Please attend the Planning Commission meeting or ask the front desk clerk at Town Hall to view the plans during business hours.

-Marco Ahumada - Administrative Clerk/ Technician

mahumada@losaltoshills.ca.gov- 650-941-7222

TOWN OF LOS ALTOS HILLS

August 6, 2026

Staff Report to Planning Commission

SUBJECT: DISCUSSION ON POLICY AMENDMENTS TO PERMIT ADMINISTRATIVE REVIEW OF VARIANCES FOR ELECTRICAL TRANSFORMER AND PANEL INSTALLATIONS WITHIN REQUIRED SETBACKS.

FROM: Tim McBirney, Community Development Analyst

APPROVED: Jay Bradford, Community Development Director

RECOMMENDATION:

Receive information regarding proposed modifications to the variance process for electrical equipment, provide policy direction, and direct staff regarding implementation of an administrative variance process for qualifying electrical equipment.

BACKGROUND:

The Town currently requires all requests for variances involving encroachments into required setback areas to be reviewed and acted upon by the Planning Commission. This longstanding process provides an opportunity for public review while ensuring that requests to deviate from established development standards receive careful consideration.

Over the past several years, however, staff has experienced a significant increase in variance applications involving electrical transformers, utility equipment, electrical service panels, meters, disconnects, and related infrastructure installed in conjunction with residential electrical upgrades. These applications are generally associated with electrical service upgrades, home electrification projects, battery storage systems, electric vehicle charging infrastructure, backup power systems, and utility service improvements.

The increase is largely attributable to changing utility requirements, continued electrification of residential properties, evolving building and electrical code requirements, and Pacific Gas and Electric Company (PG&E) standards governing equipment placement, access, and utility clearances. In many instances, applicants have limited flexibility regarding equipment location because placement is dictated by utility requirements, existing infrastructure, topography, fire access, or other site constraints.

Historically, the Town processed approximately one or two variance applications annually involving electrical equipment located within requir ed setbacks. In recent years, that number has increased substantially.

Year	Applications Involving Transformer/Panel Setback Encroachments
2019	1
2020	0
2021	1
2022	0
2023	1
2024	4
2025	8

Staff anticipate this trend will continue as additional homeowners pursue electrical service upgrades, residential electrification projects, and utility infrastructure improvements.

DISCUSSION:

Although each variance application requires preparation of staff reports, public noticing, scheduling before the Planning Commission, and formal public hearings, the overwhelming majority of transformer and electrical panel setback requests are relatively minor in nature and result from utility engineering requirements rather than discretionary site planning decisions.

As application volumes have increased, staff has observed that the existing process frequently delays permit issuance and project completion. Applicants often must wait several weeks or months for the next available Planning Commission hearing even when the requested encroachment is minimal and presents little or no measurable impact to neighboring properties.

To improve customer service while maintaining appropriate planning oversight, staff is requesting Planning Commission feedback regarding the establishment of an administrative variance process for qualifying electrical utility equipment.

Under the proposed approach, eligible applications would be reviewed administratively rather than requiring a public hearing before the Planning Commission. Administrative approval would substantially reduce processing time while maintaining written findings, documentation, and consistency with the Town's zoning regulations.

Importantly, the proposal would **not** eliminate the requirement for a variance nor create a blanket exemption from setback requirements. Applicants would still be required to satisfy all applicable variance findings established by the Municipal Code, together with any additional objective

criteria adopted by the Town. The proposal would simply change the decision-making authority for qualifying applications from the Planning Commission to an authorized staff member.

Staff also recognizes that utility providers, particularly PG&E, frequently dictate equipment placement through engineering standards governing transformer spacing, utility access, required clearances, and service connections. In many cases, these technical requirements significantly limit the range of feasible installation locations, leaving applicants with few practical alternatives. As a result, these requests are generally driven by utility engineering requirements rather than homeowner preference or discretionary site design.

Administrative review would also support broader State and local policy objectives encouraging residential electrification, installation of electric vehicle charging infrastructure, battery storage systems, heat pumps, and other electrical service improvements intended to improve energy efficiency, resiliency, and reliability. Reducing unnecessary procedural delays for these routine projects would assist residents while maintaining appropriate planning oversight.

In addition, delegating these routine applications to staff would allow the Planning Commission to devote additional meeting time to projects involving broader land use policy, neighborhood compatibility, and discretionary planning issues.

Proposed Administrative Approval Criteria

Should the Planning Commission support a policy amendment, staff recommends limiting eligibility to applications that satisfy all of the following criteria:

- The request is limited to electrical transformers, utility equipment, electrical service panels, meters, disconnects, or similar utility infrastructure.
- The equipment location is required or substantially constrained by utility provider requirements, applicable building or electrical codes, or documented site conditions.
- The applicant demonstrates that no feasible code-compliant location exists outside the required setback.
- The requested encroachment represents the minimum deviation necessary to accommodate the required equipment.
- Equipment is screened to the maximum extent practicable through landscaping, fencing, or architectural treatment where appropriate.
- The installation will not create significant adverse impacts related to public safety, traffic visibility, drainage, utilities, neighboring properties, or community character.

- All required variance findings can be made.

Administrative Oversight

To preserve public accountability while streamlining routine approvals, staff recommends that any variance decision remain subject to appeal to the Planning Commission in accordance with the Municipal Code.

Staff further recommends that the Commission consider whether approval authority should be delegated to the Site Development Committee, Community Development Director, or another designated staff member.

Sunset Provision

Because the current increase in applications is closely tied to evolving utility requirements and residential electrification efforts, staff recommends considering the amendment as a temporary policy subject to future evaluation.

Potential options include:

- Three-year authorization;
- Five-year authorization; or
- Authorization until staff determines that application volumes and utility requirements have stabilized.

Prior to expiration, staff would return to the Planning Commission with an evaluation of the program, including application statistics, processing times, appeal history, and recommendations regarding continuation, modification, or termination.

Policy Considerations

In providing direction, staff requests Planning Commission feedback on the following policy questions:

1. Does the Commission support reviewing qualifying electrical transformer, utility equipment, and electrical panel setback variances through either a Site Development Committee public hearing or administrative approval by the Community Development Director or their designee (without a public hearing)?

2. Should qualifying projects remain subject to all existing variance findings together with additional objective eligibility criteria?

3. Should administrative approvals be appealable to the Planning Commission?

4. Should the policy amendment include a sunset provision and, if so, what duration is appropriate?

5. Are there specific circumstances or project types that should continue to require Planning Commission review?

If the Planning Commission supports moving forward, staff will prepare the necessary amendments to the Municipal Code and administrative procedures for future consideration by both the Planning Commission and City Council.

ENVIRONMENTAL REVIEW:

The proposed policy discussion concerns an administrative procedure and does not approve or authorize any specific development project. Any future ordinance implementing the Commission's direction would be evaluated for compliance with the California Environmental Quality Act (CEQA) prior to adoption. At this stage, the discussion of potential policy direction is exempt from CEQA pursuant to Section 15061(b)(3), the common sense exemption, because it can be seen with certainty that the discussion itself will not result in a direct or reasonably foreseeable physical change in the environment.

THE TOWN OF LOS ALTOS HILLS August 6, 2026
Staff Report to the Planning Commission

SUBJECT: 26790 Arastradero Road – File #PA26-0037 – Lands of Congregation Beth Am
Study Session to review conceptual plans for a new security gatehouse and onsite parking and circulation improvements at Congregation Beth Am.
Information item only to provide feedback to the applicant, no formal action will be taken.

FROM: Jonathan Fox, Senior Planner JF

APPROVED: Jay Bradford, Community Development Director J.B.

OVERVIEW

A study session is an opportunity for an applicant to informally discuss a proposed project with the Planning Commission and receive feedback on what is presented. It is not a formal review of an application and no action to approve or deny a specific project will be taken at the study session. At a future date, the application will be returned to the Planning Commission for consideration and additional public notification would be provided at that time.

Since the Planning Commission will not conduct a formal review, staff does not provide a thorough analysis of the project in light of the Los Altos Hills Municipal Code nor make a recommendation to the Commission for action. A detailed staff report will be provided to the Commission prior to first formal public hearing on the item.

PRELIMINARY SCOPE OF WORK

The City Council originally approved a Conditional Use Permit (CUP) for the religious institution in 1958; however, the approval did not include conditions of approval. In 1997, the City Council approved a CUP amendment (File No. 189-97-ZP-SD-CUP-GD-ND) for construction of a multi-purpose building and established the current conditions of approval for the use, including a requirement for CUP renewal every five years. The existing conditions of approval are included as Attachment 2. The most recent CUP renewal (File No. 298-00-CUP) was approved in 2001 and expired in February 2006.

The proposed project includes construction of a new security gatehouse and onsite parking and circulation improvements. Staff anticipates that the project will require a CUP amendment and renewal, as well as a Site Development Permit and Variance for encroachment into required setbacks. At a future public hearing, the Planning Commission shall review the project and forward a recommendation on the conditional use permit (primary application) and the secondary applications including site development and variances. The City Council will take final action on the project.

GENERAL PLAN and MUNICIPAL CODE

GENERAL PLAN

To approve the Conditional Use Permit, the Planning Commission and City Council must find that the project conforms with the Town's General Plan and all applicable General Plan policies. Notable and applicable policies include:

a. Land Use Policy 1.1 – Uses of land shall be consistent with the semi-rural atmosphere of the community, minimize disturbance to natural terrain, minimize removal of the natural vegetation, and create the maximum compatibility of development with the natural environment through site design and landscaping.
b. Land Use Policy 1.3 – Large non-residential structures shall be compatible with the residential character of the community.
c. Open Space Policy 1.1 – Provide, during the development process, for the maximum feasible preservation of open space in and adjoining the Town, with spaces ranging in size from regional scale to small-scale open space on individual lots.
d. Conservation Policy 2.1 – Minimize disturbance of the natural terrain and vegetation.

MUNICIPAL CODE

Per LAHMC Section 10-1.007(1)(a), Conditional Use Permits shall be granted by the City Council when it is found that:

(1) The proposed use or facility is properly located in relation to the community as a whole, land uses, and transportation and service facilities in the vicinity;
(2) The site for the proposed use is adequate in size and shape to accommodate the proposed use and all yards, open spaces, wall and fences, parking, loading, landscaping, and such other features as may be required by this chapter or, will be needed to assure that the proposed use will be reasonably compatible with land uses normally permitted in the surrounding area;
(3) The site for the proposed use will be served by streets and highways of adequate width and pavement to carry the quantity and kind of traffic generated by the proposed use; and
(4) The proposed use will not adversely affect the abutting property or the permitted use thereof.

Per LAHMC Section 10-1.007(2), Variances may be granted if all of the following four requirements have been met:

(1) That, because of exceptional or extraordinary circumstances applicable to the subject property, including size, shape, topography, location or surroundings, the strict application of the provisions of this title is found to deprive such property of privileges enjoyed by other properties in the vicinity and under identical zoning classification;
(2) That upon the granting of the variance, the intent and purpose of the applicable sections of this title will still be served and the recipient of the variance will not be granted special privileges not enjoyed by other surrounding property owners;
(3) That the granting of such variance will not be materially detrimental to the public welfare or injurious to the property, improvements, or uses within the immediate vicinity and within the same zoning district;
(4) That the variance will not authorize a use or activity which is not otherwise expressly authorized by the zoning district regulations governing the parcel or property.

NOTICING/PUBLIC OUTREACH

The public was advised of this Study Session in the following ways:

- Mailing to property owners who own property within 500-foot radius – July 24, 2026
- Posted at the project site – July 24, 2026
- Public Posting Places – July 24, 2026
- Town Website: www.losaltoshills.ca.gov – July 31, 2026

To date, staff has not received public comment regarding the proposed project. Public comment received after publication of the staff report but before the August 6, 2026, Planning Commission meeting will be forwarded to the Commission.

ENVIRONMENTAL REVIEW

CEQA review is not required at this time because this item is an informational study session only and does not constitute project approval or a commitment to approve the proposed improvements. Staff anticipates that future review of the project may qualify for a categorical exemption under CEQA Guidelines Section 15301 (Existing Facilities) and/or Section 15311 (Accessory Structures), subject to review of the final project design and site-specific conditions.

CONCLUSION

Staff recommends the Planning Commission provide feedback to the applicant. This is an informational item, and no formal action will be taken.

ATTACHMENTS

1. Congregation Beth Am – Applicant Narrative
2. Current Conditions of Approval – FILE #189-97-ZP-SD-CUP-GD-ND
3. Project Plans – *Planning Commission only*

Congregation Beth Am
26790 Arastradero Road
Los Altos Hills, CA 94022

Town of Los Altos Hills
Planning Study Agenda

Site Security / ADA Upgrades: Primary objectives

1. Elevate Site Security and entry access to Congregation Beth Am campus.
    - Install new entry guard shack and fencing from Arastradero Road.
    - Install new site security CCTV cameras throughout campus.
    - Upgrade site lighting Parking lot and wayfinding path lighting with new LED lighting.

2. Improve ADA access for aging congregation population at all entrances and drop offs.

    Area 1: (East Drop off)
    - Revise curb and gutter, A/C paving for new road duck out /drop off area.
    - Install retaining wall for new handicap parking and added parking stalls.
    - Install new handicap walk and ramp to access existing outdoor Chapel to Sanctuary.
    - Repair all affected landscaping and paving at Area 1.

    Area 2: (South Drop off)
    - Revise curb and gutter, A/C paving for new duck out /drop off area.
    - Improve existing handicap parking to meet current code.
    - Install crash protection bollards / boulders.
    - Repair all affected landscaping and paving at Area 2.

    Area 3: (West Drop off)
    - Install new covered ADA parking stalls required due to deferred approval for solar array completed in 2026.
    - Revise curb and gutter, A/C paving for new duck out/ drop off area to service existing administrative entry.
    - Install new retaining walls necessary to relocate existing equipment to gain access for new drop off.
    - Reformat existing parking stalls for efficiency and allow for ADA parking.
    - Install new ADA ramp to access Administration Building and Social courtyard.

END:

Copy to
RAB
Ric Rudman
Steve B.

LOS ALTOS HILLS
CALIFORNIA

March 23, 1998

Richard Rudman
Congregation Beth Am
26790 Arastradero Road
Los Altos Hills, CA 94022

Re: 189-97-ZP-SD-CUP-ND
Congregation Beth Am
26790 Arastradero Road
New multipurpose building, additions to existing buildings, and parking

Dear Mr. Rudman:

Your request for a Conditional Use Permit, Site Development Permit, and Negative Declaration for a new multipurpose building, additions to existing buildings, and parking was approved at the City Council meeting March 18, 1998, subject to the attached conditions of approval.

Please note that the conditions of the use permit (Exhibit "A") apply in perpetuity (unless modified by the City Council), while the conditions of the site development permit (Exhibit "B") apply to the proposed construction only.

Please contact me at (650) 941-7222 if you have any questions regarding the conditions of approval.

Sincerely,

Curtis S. Williams
Planning Director

Enc.: Copy of approved plans
Conditions of approval

cc: The Steinberg Group, 60 Pierce Avenue, San Jose, CA 95110
Planning Commission
Chair, Environmental Design and Protection Committee
Chair, Pathways Committee
Building Official

26379 Fremont Road
Los Altos Hills
California 94022
650/941-7222
Fax 650/941-3160

EXHIBIT "A"

CONDITIONAL USE PERMIT-CONDITIONS OF APPROVAL

1. This conditional use permit allows the use of the subject property as a religious institution and for related religious educational activities and social functions, subject to the following conditions and according to plans approved by the City Council on March 18, 1998. Any further expansion or change of the use shall require an amendment to the conditional use permit. Additionally, the Planning Director may, at any time, schedule a review or revocation hearing before the Planning Commission regarding the use permit, if any condition of approval is not being met or if the facility is being used inconsistent with the approved use or in violation of Town development codes.

2. Not later than one year after final inspection of the multipurpose building, the applicant shall request and the Planning Commission shall then review the use permit at a noticed public hearing, to determine that the use remains in compliance with the conditions of approval. Subsequent to the initial review, reviews shall occur every five (5) years thereafter.

3. If permittee abandons the use of said real property allowed by this permit for a period of one year, then the abandonment shall constitute a revocation of the use herein granted, and this Use Permit shall become null and void.

4. Uses permitted on the site are limited to the following: religious services; religious education (adult and children); life cycle events, including weddings and bar and bat mitzvahs; congregational meetings; social gatherings of members of the Congregation and their guests; auxiliary administrative activities, such as administrative office use, classroom supervision, board meetings, etc.; meetings of non-profit community groups; and necessary site and building maintenance. Food and alcohol service and music and entertainment are permitted only incidental to the above activities.

5. No commercial activities or retail sales are permitted on the site, other than those incidental to religious and educational activities, such as a religious arts and crafts fair, sale of Jewish holiday foods and items, bake sales, and the sale of wedding and bar/bat mitzvah invitations, for the purpose of raising funds for the Congregation.

6. Social events involving music and/or entertainment and/or catering shall end not later than 10:00 p.m. daily Sunday through Thursday, not later than 11:30 p.m. on Friday and Saturday, and not later than 11:00 p.m. on Sundays before a Monday Federal holiday. Clean-up must be completed such that the premises are vacated not more than 30 minutes later. Alcoholic beverages may not be served later than one hour prior to event ending times.

7. Social events involving music and/or entertainment and/or catering (not including religious services with food service before or thereafter) which involve fifty (50) or more persons shall occur not more frequently than three times per week and not more than one such social event of that size shall occur simultaneously on the site.

8. The west-facing doors of the social hall and kitchen shall remain closed during music and/or catering activities, except for loading and unloading. In addition, a phone number shall be provided to immediate neighbors to contact the event supervisor during a social event, in order to respond promptly to concerns regarding excess noise.

9. No outdoor sound amplification of music for social events shall be allowed on the site. Noise levels shall be limited to comply with the provisions of Section 5-2.02 of the Los Altos Hills Municipal Code.

10. Lighting shall be on separate circuits and on timers, such that only security lighting remains on during night hours, unless an event is in progress. In any event, all parking lot lighting shall be turned off by not later than 11:00 p.m., or not later than 30 minutes past the end of an event (where permitted later than 11:00 p.m.), except in close proximity to buildings or where necessary for visibility along the driveway.

11. Site activities for which total site attendance is expected to exceed 750 persons shall not occur more frequently than twice per calendar year, unless approved by the City Council after public notice to neighbors. For any site activity for which attendance is expected to exceed 750 persons, the Congregation shall mail notice to all owners of adjacent property at least fourteen days in advance of such event. A parking plan shall be submitted to the Town at least 15 working days in advance of the event, outlining means to accommodate overflow parking (such as parking at nearby office lots, valet parking, or shuttles from off-site, etc.), to the satisfaction of the Planning Director. On-site traffic and parking control shall be provided, at the Congregation's expense, for the duration of any such event, to minimize impacts on Arastradero Road and neighboring properties.

12. Congregation Beth Am shall make all reasonable efforts to minimize impacts to neighboring residents regarding the hours of trash collection, leaf blowers and other gardening maintenance, catering and clean-up activities, and honking of horns from vehicles at drop-off and pick-up points.

13. The project engineer shall submit a proposed maintenance program for the detention basin and onsite storm drainage facilities, to the satisfaction of the Town's Engineering Department. The program shall include annual inspections and maintenance of the onsite storm drainage facilities, including the detention basin, by qualified engineering consultants to Congregation Beth Am, and shall require that a report be submitted to the Town not later than October 1st of each year describing the findings of the inspection and

any remedial measures proposed to assure proper functioning of the drainage system and detention basin. The report shall include any necessary erosion control measures for the onsite drainage swales as well as annual cleaning of and/or repairs to the system and detention basin. All proposed erosion control measures shall be approved by the City Engineer prior to installation. The maintenance program shall include provisions that the detention basin be inspected and maintained as needed after each storm during the rainy season, or a minimum of once each month between the months of October and April, to assure that there is not a build-up of sediments or plant growth. The program shall also address the proper disposal of the sediments and plant growth that are cleaned out of the detention basin. Provisions for mosquito abatement shall also be provided for the detention basin, and the use of toxic chemicals shall be prohibited.

14. An approved Fire Department key box and appropriate building keys shall be provided to the Fire Department.

15. The roadway through the site shall be marked as a "Fire Lane" per Fire Department specifications, and parking shall be prohibited on either side of the road.

EXHIBIT "B"

SITE DEVELOPMENT PERMIT- CONDITIONS OF APPROVAL

A. PLANNING DEPARTMENT:

1. Any modifications to the approved plans requires prior approval of the Planning Director or Planning Commission depending upon the scope of the changes.

2. Proposed holly oaks shall be replaced with a native evergreen species acceptable to the Planning Director and Environmental Design Committee. *Prior to final inspection of the multipurpose building*, a final landscape screening plan shall be submitted for review by the Planning Commission, with particular emphasis on screening between the new parking areas and the western property boundary, and between the new buildings and the eastern property boundary. All landscaping required for screening purposes or for erosion control (as determined by the City Engineer) must be installed *prior to final inspection of the multipurpose building*, unless the Planning Director finds that unusual circumstances, such as weather or site conditions, require that planting be delayed. In those instances, a deposit of an amount equal to the cost of landscape materials and installation, to the satisfaction of the Planning Director, shall be submitted to the Town. Landscaping shall in any event be installed not later than 6 months after final inspection, or the deposit will be forfeited.

3. A landscape maintenance deposit (or certificate of deposit), equal to the cost of materials and installation for all landscaping required for screening purposes or for erosion control (as determined by the City Engineer), but not to exceed $5,000.00, shall be posted prior to *final inspection of the multipurpose building*. An inspection of the landscape to ensure adequate establishment and maintenance shall be made two years after installation. The deposit will be released at that time if the plantings remain viable.

4. Materials and colors for the proposed structures shall match the existing buildings on the site. If paint colors are proposed to be changed, colors must be chosen by the applicant and approved by staff in conformance with the Town's adopted color board, and shall exhibit a light reflectivity value of 50 or less. Roofs shall use materials which have a light reflectivity value of 40 or less. All applicable structures shall be painted in conformance with the approved color(s) *prior to final inspection.*

5. Class A or B fire retardant roofing is required for the new construction.

6. Not later than 60 days after issuance of a building permit for the multipurpose building, the applicant shall submit a revised outdoor lighting plan for review by the Planning Commission. Lighting at the perimeter of the property adjacent to existing residential properties shall be modified to either reduce wattage, reduce the height of light poles, or reduce the number of lights to minimize impacts on those neighbors. All approved lighting must be installed to the satisfaction of the Planning Director *prior to final inspection of the multipurpose building.*

7. At the time of foundation inspection for the multipurpose building and *prior to final inspection*, the location and elevation shall be certified in writing by a registered civil engineer or licensed land surveyor as being in/at the approved location and elevation shown on the approved Site Development plan. At the time of framing inspection for the multipurpose building, the height of the building shall be similarly certified as being at the height shown on the approved Site Development plan. Prior to paving of the parking lot areas, the location and elevation shall also be certified as being in/at the approved location and elevation shown on the approved Site Development plan.

8. A 6-foot high solid wooden fence shall be constructed along the west property boundary from the rear property line to approximately 50-75 feet from the front property line at Arastradero Road, with an open wood and wire mesh fence or a similar open fence from that point to the front property line, to the satisfaction of the Planning Director. Gates from Thendara Lane to the site may also be permitted, at the discretion of the property owner. The fence alignment shall deviate from the property line to the extent needed to maintain a consistent contour elevation at approximately the height of the parking area, to the satisfaction of the Planning Director. Construction details should include overlapping boards for sound protection, and baseboards or other separation from the ground to assure durability of the fence. A fence permit showing the precise alignment and construction details must be obtained prior to installation, and the fence must be constructed to the satisfaction of the Planning Director *prior to acceptance of plans for building plan check for the multipurpose building.*

9. The sound wall outside the kitchen area of the social hall must be constructed according to the details shown on the plan, and a building permit must first be obtained prior to installation. The sound wall shall be constructed to the satisfaction of the Planning Director *prior to acceptance of plans for building plan check for the multipurpose building.*

10. The multipurpose building shall be soundproofed to minimize noise levels at the perimeter of the site, *prior to final inspection of the multipurpose building.*

B. ENGINEERING DEPARTMENT:

11. As recommended by William Cotton & Associates in their report dated December 10, 1997, the applicant shall comply with the following:

a. The project geotechnical consultant shall review and approve all geotechnical aspects of the project building and grading plans (i.e.., site preparation and grading, site drainage improvements, and design parameters for foundations and pavement) to ensure that their recommendations have been properly incorporated. As part of the plan evaluations, the consultant should consider and address whether structural fill beneath the multipurpose building should be placed at a minimum of 95 percent relative compaction. The consultant shall summarize the results of their plan review in a letter to be submitted to the Town, *prior to acceptance of plans for building plan check for the multipurpose building.*.

b. The project geotechnical consultant shall inspect, test (as needed) and approve all geotechnical aspects of the project construction. The inspections should include, but not necessarily be limited to: site preparation and grading, site surface and subsurface drainage improvements, and excavations for foundations and retaining walls prior to the placement of steel and concrete. The project geotechnical consultant shall describe the results of inspections and as-built conditions of the project in a letter to be submitted to the Town Engineering Department *prior to final inspection of the multipurpose building.*.

For further details on the above requirements, please reference the letter from William Cotton & Associates dated December 10, 1997.

12. The site drainage associated with the proposed development must be designed as surface flow wherever possible to avoid concentration of the runoff. The proposed drainage shall be designed to maintain the existing flow patterns. A final grading and drainage plan shall be required to be submitted and approved by the Town Engineering Department *prior to acceptance of plans for building plan check.* Final drainage and grading shall be inspected by the Engineering Department and any deficiencies corrected to the satisfaction of the Engineering Department *prior to final inspection.* A letter shall be submitted from the project engineer stating that the drainage improvements were installed as shown on the approved plans and in accordance with their recommendations *prior to final inspection.* In addition:

a. Detailed plans for an onsite detention basin shall be designed by the project engineer so that the flow at any time from the project site into the drainage channel on the adjacent (downstream) properties is not increased in volume or velocity exceeding the existing conditions. The design should also incorporate landscape features to assure an attractive visual appearance for the basin. The detention basin plans shall be submitted for the review and approval of the Town Engineering and Planning Departments *prior to acceptance of plans for building plan check for the multipurpose building.*

b. Where permission is granted by the respective property owners, the applicant shall clean out the existing storm drain channel on the neighboring (downstream) properties located at 27201 Fremont Road, 27241 Fremont Road, and 26744 Arastradero Road, between the project site and Fremont Road. The applicant shall also install rock lining in the channel as specified by the project engineer to address existing erosion problems in the channel. Where permission is granted by the respective property owners, the maintenance of the channel shall be required to be completed not later than by September 15, 1998, unless otherwise authorized by the City Engineer, but must in any event be completed to the satisfaction of the Engineering Department *prior to final inspection of the multipurpose building.*.

13. Any, and all, changes to the approved grading and drainage plan shall be submitted as revisions from the project engineer and shall first be approved by the Town Engineering Department. No grading shall take place during the grading moratorium between November 1 and April 1 except with prior approval from the City Engineer. No grading shall take place within ten feet of any property line.

14. All public utility services serving this property shall be placed underground.

15. An erosion and sediment control plan shall be submitted for review and approval by the Engineering Department *prior to acceptance of plans for building plan check for the multipurpose building.* The contractor and the property owner shall comply with all appropriate requirements of the Town's NPDES permit relative to grading and erosion/sediment control. The first 100 feet of the driveway shall be rocked during construction and all cut and fill slopes shall be protected from erosion. All areas on the site that have the native soil disturbed shall be protected for erosion control during the rainy season and shall be replanted *prior to final inspection of the multipurpose building.*

16. Two copies of a grading and construction operation plan shall be submitted by the property owner for review and approval by the City Engineer and Planning Director *prior to acceptance of plans for building plan check.* The grading/construction plan shall address truck traffic issues regarding dust, noise, and vehicular and pedestrian traffic safety on Arastradero Road and surrounding roadways; storage of construction materials; placement of sanitary facilities; parking for construction vehicles; and parking for construction personnel. A debris box (trash dumpster) shall be placed on site for collection of construction debris. Arrangements must be made with the Los Altos Garbage Company for the debris box, since they have a franchise with the Town and no other hauler is allowed within the Town limits.

17. The property owner shall inform the Town of any damage and shall repair any damage caused by the construction of the project to pathways, private driveways, and public and private roadways, *prior to final inspection* and shall provide the Town with photographs of the existing conditions of the roadways and pathways *prior to acceptance of plans for building plan check.*

18. A Certificate of Compliance is required to be issued by the Town for this property. The property owner shall submit legal description and plat exhibits prepared by a registered civil engineer or a licensed land surveyor for the boundary of the property in addition to the title history for the property prior to the Town's incorporation in January 1946. The Town shall prepare the Certificate of Compliance. The required exhibits and title history shall be submitted and approved by the Town *prior to acceptance of plans for building plan check.*

C. FIRE DEPARTMENT:

19. Approved numbers or addresses shall be placed on all new and existing buildings to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background and be a minimum of 4 inches in height.

20. The roadway through the site shall have a minimum width of twenty (20) feet. Vertical clearance shall be a minimum of thirteen feet six inches. Both dimensions shall be maintained. The driveway shall be designed and maintained to support the imposed loads of fire apparatus (40,000 pounds) and shall be provided with a surface so as to provide all-weather driving capabilities.

21. A private on-site fire hydrant shall be provided at a location to be determined by the Fire Department. Maximum hydrant spacing shall be 250 feet and the minimum flow hydrant shall be 1000 GPM at 20 psi residual pressure. (Note: The Fire Department has indicated that the hydrant is to be located near the east

driveway alongside the multipurpose building). The hydrant must be installed to the satisfaction of the Fire Department *prior to framing construction.* Bulk construction materials may not be delivered to the construction site until installation is completed as stated above.

22. When open, gates shall not obstruct any portion of the required access roadway or driveway width. If gates are provided, all locks shall be Fire Department approved, and installations shall conform with Fire Department Standard Details and Specifications G-1.

23. The roadway through the site shall be marked as a "Fire Lane" per Fire Department specifications, *prior to final inspection of the multipurpose building..*

Upon completion of construction, a final inspection shall be set with the Planning Department and Engineering Department at least two weeks prior to final building inspection approval.

CONDITION NUMBERS 8, 9, 11a, 12, 15, 16, 17, AND 18 SHALL BE COMPLETED AND SIGNED OFF BY THE PLANNING DIRECTOR AND THE CITY ENGINEER PRIOR TO ACCEPTANCE OF CONSTRUCTION PLANS FOR PLAN CHECK BY THE BUILDING DEPARTMENT. (NOTE: THE PLANNING DIRECTOR MAY ALLOW THE ADDITIONS TO THE EXISTING STRUCTURE TO PROCEED SUBJECT ONLY TO CONDITION NUMBERS 12, 16, AND 18 BEING SATISFIED).

The Site Development permit is valid for one year from the approval date (until March 18, 1999). All required building permits must be obtained within that year and work on items not requiring a building permit shall be commenced within one year and completed within two years.

Post-it® Fax Note 7671 | Date 4-2-99 | # of pages ▶ 3
To Jim Neuger | From Marcyl
Co./Dept. | Co. Beth Am
Phone # | Phone #
Fax # 944-6988 | Fax #

Post-it® Fax Note 7671 | Date 4-2-99 | # of pages ▶ 3
To Ric Rudman | From marcyl
Co./Dept. | Co. Beth Am
Phone # | Phone #
Fax # 855-2800 | Fax #

LOS ALTOS HILLS
CALIFORNIA

March 25, 1999

Marcyl Seidscher
Congregation Beth Am
26790 Arastradero Road
Los Altos Hills, CA 94022

Re: File # 6-99-ZP-SD
26790 Arastradero Road
Landscape screening and lighting plan

Dear Ms. Seidscher:

Your request for a Site Development Permit for a landscape screening and lighting plan was approved at the Planning Commission meeting of March 24, 1999. Please note the following conditions which apply to this approval:

PLANNING

1. Any further modifications to the approved plans requires prior approval of the Planning Director or City Council depending on the scope of the changes. The approved plans shall note that: 1) shrub #6 near Arastradero Road shall be replaced with a shrub which is more compatible with the water usage of the adjacent oaks; 2) no trees are to be planted within the sanitary sewer easement; and 3) a cluster of trees shall be planted behind the third light post parallel to Thendara Lane.

2. Tree and shrubbery plantings shown on the plan shall be installed to the satisfaction of the Planning Director *prior to final inspection of the multi-purpose building,* unless the Planning Director finds that unusual circumstances, such as weather or site conditions, require that planting be delayed. In those instances, a deposit of an amount equal to the cost of landscape materials and installation, to the satisfaction of the Planning Director, shall be submitted to the Town. Landscaping shall in any event be installed not later than 6 months after final inspection, or the deposit will be forfeited.

26379 Fremont Road
Los Altos Hills
California 94022
650/941-7222
Fax 650/941-3160

10. The plan should show the Sanitary Sewer Easement located over the existing sanitary sewer line. In addition, all trees proposed within the easement must be relocated outside the easement.

The Site Development permit is valid for one year from the approval date (until March 24, 2000). All required building permits must be obtained within that year and work on items not requiring a building permit shall be commenced within one year and completed within two years.

Please contact us if you have any questions.

Sincerely,

Curtis S. Williams
Planning Director

Enc.: Copy of approved plans

cc: Clint Dodge Congregation Beth Am, 26790 Arastradero Road, Los Altos Hills, CA 94022
The Steinberg Group, 60 Pierce Avenue, San Jose, CA 95110
Planning Commission
Chair, Environmental Design and Protection Committee
Chair, Pathways Committee

3. A landscape maintenance deposit of $5,000 shall be posted *prior to final inspection of the multi-purpose building*. An inspection of the landscape to ensure adequate establishment and maintenance shall be made two years after installation. The deposit will be released at that time if the plantings remain viable.

4. The lighting of the entry sign shall be an uplight directed away from Arastradero Road or a downlight from above the sign, in order to avoid visibility of the light source from the road. All lighting shall be installed per the approved plans *prior to final inspection of the multi-purpose building*.

5. *Prior to final inspection of the multi-purpose building*, the applicant must demonstrate to the satisfaction of the Planning Director that lighting is on timers set to assure compliance with the conditions of the conditional use permit.

ENGINEERING

6. Any revisions or additions to the previously approved grading and drainage plan shall be submitted by the project engineer for review by the Engineering Department. The plan shall be reviewed by the Engineering Department and approved prior to commencement of this project; The approved plan shall be stamped and signed by the project engineer and shall supersede the previously approved drainage plan.

7. No grading shall take place during the grading moratorium (November 1 to April 1) except with prior approval from the City Engineer. No grading shall take place within ten feet of any property line.

8. If any trees or large shrubs are proposed to be planted within the right of way or public utility easements, a letter shall be required to be submitted which has been stamped and signed by a registered civil engineer verifying that the proposed plantings, when mature, will not conflict with any existing public utilities that are located either underground or overhead and will not negatively impact the available sight distance for traffic on the adjacent roadways or block existing pathways or roadways. The letter shall be required to be submitted to the Engineering Department *prior to final project inspection and prior to commencement of planting*.

9. Any, and all, areas on the project site that have the native material disturbed shall be protected for erosion control during the rainy season and shall be replanted *prior to final inspection*.

Preliminary design sketches / limited scope of work for CBA Site security/ ADA upgrades

6/15/2026

GRAPHIC SCALE
30 0 15 30 60 120
(IN FEET)
1 inch = 30 ft.

Area 3: (West Drop off)
•Install new covered ADA parking stalls required due to deferred approval for solar array completed in 2026.
•Revise curb and gutter, A/C paving for new duck out/ drop off area to service existing administrative entry.
•Install new retaining walls necessary to relocate existing equipment to gain access for new drop off.
•Reformat existing parking stalls for efficiency and allow for ADA parking.
•Install new ADA ramp to access Administration Building and Social courtyard.

1.Elevate Site Security and entry access to Congregation Beth Am campus.
•Install new entry guard shack and fencing from Arastradero Road.
•Install new site security CCTV cameras throughout campus.
•Upgrade site lighting Parking lot and wayfinding path lighting with new LED lighting.

Area 2: (South Drop off)
•Revise curb and gutter, A/C paving for new duck out /drop off area.
•Improve existing handicap parking to meet current code.
•Install crash protection bollards / boulders.
•Repair all affected landscaping and paving at Area 2.

Area 1: (East Drop off)
•Revise curb and gutter, A/C paving for new road duck out /drop off area.
•Install retaining wall for new handicap parking and added parking stalls.
•Install new handicap walk and ramp to access existing outdoor Chapel to Sanctuary.
•Repair all affected landscaping and paving at Area 1.

ASSUMED EXTERIOR FENCE
ARASTRADERO ROAD
BUILDING
CB RIM=179.30
12"IE(S)=176.82
16"IE(W)=176.72
20"IE(E)=176.59
CB RIM=179.67
12"IE(O)=177.67
SDMH RIM=179.65
CNO
WD COLUMNS
JUTTING OVERHANG
SSCO RIM=184.70
INV=180.50
WTR BOX
AC UNITS
EL BOX ON POST
STATUE
MD COLUMNS
SSCO RIM=182.76
INV=179.74
10"IE(S)=175.23
6"IE(E)=175.38
Asphalt
Concrete

PRELIMINARY - NOT FOR CONSTRUCTION

#	DESC.	DATE
–	–	–
–	–	–
–	–	–
–	–	–

REVISIONS

DESIGN DEVELOPMENT PLAN

CONGREGATION BETH AM
26790 ARASTRADERO ROAD, LOAS ALTOS HILLS, CA 94022

UNDERWOOD & ROSENBLUM, INC.
civil engineers and surveyors
1530 Oakland Road, Suite A114, San Jose, CA 95131
(408) 453-1222 www.uandr.com

Date: 05-13-2026
Scale 1"=30'
Dwn by: JQ
Checked: FR
Job No. J26015
Sheet

DISCLOSURE: THESE DRAWINGS AND DOCUMENTS ARE THE PROPERTY OF UNDERWOOD & ROSENBLUM, INC. AND CAN NOT BE COPIED OR DISCLOSED IN WHOLE OR IN PART WITHOUT THE EXPRESS WRITTEN CONSENT OF UNDERWOOD & ROSENBLUM, INC. CIVIL ENGINEERS AND LAND SURVEYORS

TOWN OF LOS ALTOS HILLS August 6, 2026

Staff Report to the Planning Commission

SUBJECT: Housing Element Program E-11 – Incentives for Extremely Low-Income Housing Development

FROM: Jay Bradford, Community Development Director
APPROVED: Jay Bradford, Community Development Director J.B.

RECOMMENDATION:

Receive the staff presentation, discuss potential local density bonus incentives for developments that include units affordable to extremely low-income households, and provide direction regarding the type of bonus the Town should include in a future ordinance.

BACKGROUND:

The Town's 2023–2031 Housing Element includes a series of programs intended to accommodate the Town's Regional Housing Needs Allocation and facilitate housing development at all income levels.

Since certification of the Housing Element, the Town has completed or substantially advanced several major implementation programs, including adoption of the Multifamily Overlay District, updates to the Accessory Dwelling Unit Ordinance, implementation of Senate Bill 9 and reasonable accommodation requirements, and preparation of an Inclusionary Housing Ordinance pursuant to Housing Element Program A-6.

Housing Element Program E-11 focuses on incentives for lower-income housing, particularly housing affordable to extremely low-income households. The program directs the Town to:

- Amend the Zoning Ordinance to adopt density bonus incentives beyond State law for extremely low-income housing units.
- Provide financial assistance for sewer and water infrastructure studies related to affordable housing.
- Conduct annual outreach to affordable housing developers and assist with funding and other incentives.

Quantified Objective: Development of 62 extremely low-income units.

The Town has already implemented substantial portions of Program E-11. Through the annual budget process, the Town continues to fund consultant support for Housing Element

implementation. The Town has also completed a water supply analysis and other technical studies related to future housing development and continues to coordinate with consultants, property owners, public agencies, and housing organizations.

The remaining legislative action is adoption of a local density bonus incentive beyond State law for developments that include extremely low-income units.

The purpose of this study session is to obtain Planning Commission direction on the type of bonus staff should develop for a future ordinance.

DISCUSSION:

State Density Bonus Law

California Government Code Section 65915 requires local agencies to provide increased density and other benefits to qualifying affordable housing projects. Depending on the number and affordability of the restricted units, a project may receive additional density, incentives or concessions, waivers of development standards, and reduced parking requirements.

Extremely low-income units generally fall within the broader very low-income category used for State density bonus calculations. Because State law already provides substantial benefits, the Town's local bonus should provide a meaningful additional incentive rather than duplicate benefits already available.

The issue before the Planning Commission is what additional local density bonus should be provided for developments that include extremely low-income units.

Relationship to Inclusionary Housing

The Town's proposed Inclusionary Housing Ordinance and Program E-11 serve different purposes. Inclusionary housing establishes minimum affordability requirements, while Program E-11 provides an additional incentive for extremely low-income housing.

A future ordinance will need to determine whether ELI units required by the Inclusionary Housing Ordinance qualify for the local bonus or whether a project must provide ELI units beyond the minimum inclusionary requirement.

Allowing required units to qualify could encourage applicants to provide deeper affordability. Requiring additional units would ensure the bonus produces housing beyond the minimum obligation.

Comparison with Similar Jurisdictions

Staff reviewed Los Altos, Los Gatos, Saratoga, and Monte Sereno because their size, lower-density development patterns, hillside conditions, or limited multifamily opportunities are more comparable to Los Altos Hills than larger urban jurisdictions.

These jurisdictions generally implement State Density Bonus Law together with inclusionary housing requirements, site-specific incentives, rezoning, or administrative assistance. Staff did not identify a standard local density bonus specifically tied to extremely low-income housing.

The comparison indicates that the Town will need to develop a locally appropriate approach based on its multifamily sites, infrastructure limitations, and development standards.

Potential Density Bonus Approaches

Additional Residential Density

The Town could provide an additional percentage of residential density based on the number or percentage of ELI units included in a project.

A tiered program could provide a modest bonus for a lower percentage of ELI units and a larger bonus as the percentage increases.

This approach directly links deeper affordability to additional development capacity. However, when combined with State Density Bonus Law, it could result in development significantly above the density established by the Multifamily Overlay District.

A future ordinance would need to establish whether the local bonus is calculated from base density or after the State bonus, whether it may be combined with additional State density bonuses, and the maximum cumulative density allowed.

Development Standard Flexibility

The Town could pair the density bonus with predetermined flexibility in standards such as height, setbacks, lot coverage, building length, open space, or parking design.

This may help applicants accommodate the additional units and provide greater certainty during project design. However, State law already allows incentives, concessions, and waivers of development standards, so the Town should avoid duplicating benefits already available.

Any local flexibility should be limited and tailored to the physical conditions of the Town's multifamily sites.

Fee Incentives

The Town could provide a partial reduction or waiver of Town-controlled development fees for qualifying ELI projects. This would be an incentive beyond State Density Bonus Law requirements, since that statute does not require cities to provide financial incentives, and thus would serve the purpose of Program E-11.

Fee reductions provide a direct cost benefit without increasing development intensity. However, waived fees would need to be funded by the General Fund or another source because the cost of reviewing and inspecting the project would remain.

Fee reductions alone may also provide a relatively limited benefit compared with land, construction, and financing costs. They may be more effective when combined with additional density.

Expedited Processing

The Town could provide priority processing, coordinated interdepartmental review, early consultation, consolidated comments, or priority hearing scheduling.

This could reduce project uncertainty and carrying costs. However, several State laws already impose review deadlines and streamlined processing requirements. Any local program should provide a practical benefit beyond those existing requirements.

Priority processing may also affect review times for other applications unless adequate staff or consultant resources are available.

Staff Analysis

Housing Element Program E-11 directs the Town to adopt a local density bonus incentive beyond those required by State law for developments that include extremely low-income housing. The principal policy decision is therefore what form that incentive should take.

An additional residential density bonus most directly implements the Housing Element because it provides a clear relationship between deeper affordability and additional development potential. A tiered bonus could provide a modest increase for a lower percentage of ELI units and a larger increase as the percentage of ELI units grows.

The Town may also wish to combine a modest density increase with supporting incentives such as predetermined development standard flexibility, fee reductions, or expedited processing. This could create a more meaningful program while limiting the extent of the additional density increase. The Town might consider using the inclusionary housing percentage requirements as a starting point on what bonus percentage would be appropriate.

Any future ordinance should establish the minimum number or percentage of ELI units required to qualify, whether qualifying units must exceed the Town's inclusionary housing requirements, the amount and calculation of the local density bonus, the maximum cumulative density permitted, and the relationship between the local incentive and State Density Bonus Law.

Based on the Planning Commission's direction, staff will prepare a draft ordinance and coordinate with the Town Attorney regarding its relationship to State Density Bonus Law, the Multifamily Overlay District, and the Inclusionary Housing Ordinance. The draft ordinance would return to the Planning Commission for a noticed public hearing before being forwarded to the City Council for consideration.

ENVIRONMENTAL REVIEW:

The study session does not constitute approval of a development project or adoption of an ordinance. Any future ordinance will be evaluated in accordance with the California Environmental Quality Act.

FISCAL IMPACT:

There is no direct fiscal impact associated with the study session.

Preparation of a future ordinance can be completed using existing staff resources and consultant funding included in the Town's budget. Any fee waiver or financial incentive would require separate fiscal analysis and City Council approval.

ATTACHMENTS:

N/A

TOWN OF LOS ALTOS HILLS August 6, 2026

Staff Report to the Planning Commission

SUBJECT: Discussion of Housing Element Program A-6 Proposed Inclusionary Housing Ordinance and Affordable Housing In-Lieu Fee Program

FROM: Jay Bradford, Community Development Director
APPROVED: Jay Bradford, Community Development Director

RECOMMENDATION:

Receive the staff report and attachments, discuss the proposed Inclusionary Housing Ordinance implementing Housing Element Program A-6, and provide direction to staff regarding:

1. Whether the proposed ordinance accurately reflects the policy direction previously provided by the Planning Commission, Finance Committee, and City Council;
2. Whether any modifications should be made to the proposed ordinance prior to City Council consideration; and
3. Preparation of the City Council staff report, including a resolution establishing affordable housing in-lieu fees consistent with the Commission's direction.

BACKGROUND:

Housing Element Program A-6 directs the Town to evaluate the feasibility of an inclusionary housing program and, if determined to be economically feasible, adopt an inclusionary housing ordinance establishing affordable housing requirements for qualifying residential development.

To implement this program, the Town retained Strategic Economics to prepare a Residential Feasibility Study and Inclusionary Housing Analysis (Attachment 1) evaluating ownership and rental residential development prototypes and the economic effects of various inclusionary housing requirements. The study concludes that an inclusionary housing program can be implemented at identified affordability levels without creating an undue constraint on residential development and provides the economic basis for the proposed ordinance.

Since completion of the feasibility study, the Planning Commission, Finance Committee, and City Council have reviewed the consultant's analysis during multiple publicly noticed meetings. These discussions focused on appropriate affordability targets, project applicability, implementation alternatives, and the use of affordable housing in-lieu fees to implement Housing Element Program A-6. Based on the direction provided during those meetings, staff prepared the draft Inclusionary Housing Ordinance (Attachment 2) and the attached draft Planning Commission Resolution

(Attachment 3). The resolution is included for reference only to demonstrate how the ordinance may ultimately be presented to the Planning Commission should staff be directed to return with a recommendation for adoption.

Date	Reviewing Body	Purpose
April 2, 2026	Planning Commission	Initial review of the Strategic Economics Residential Feasibility Study and Inclusionary Housing Analysis and discussion of potential inclusionary housing policy alternatives.
April 7, 2026	Finance Committee	Review of the feasibility study findings, financial implications, and potential implementation strategies for an inclusionary housing program.
April 16, 2026	City Council	Review of the feasibility study and provision of policy direction regarding affordability targets, inclusionary housing requirements, and implementation of Housing Element Program A-6.
June 25, 2026	Planning Commission	Review of the draft Inclusionary Housing Ordinance framework and discussion of implementation provisions based on prior Planning Commission and City Council direction.
August 6, 2026	Planning Commission	Review of the complete draft Inclusionary Housing Ordinance and implementation documents and provide direction to staff prior to preparation of the City Council public hearing materials.

DISCUSSION:

The purpose of this discussion item is to confirm that the proposed ordinance accurately reflects the policy direction previously provided by the Planning Commission and City Council before staff prepares the ordinance and implementing documents for formal City Council consideration.

The proposed ordinance would establish an inclusionary housing program applicable to new residential developments containing ten or more dwelling units. Consistent with prior discussions, ownership developments would satisfy the Town's affordable housing requirement by providing affordable ownership units or paying an affordable housing in-lieu fee. Rental developments would similarly provide affordable rental units or pay the applicable in-lieu fee. The ordinance also establishes affordability requirements, exemptions, alternatives for compliance, inclusionary

housing agreements, administrative procedures, and an Affordable Housing Fund to receive and administer in-lieu fees.

Consistent with previous Planning Commission and City Council discussions, the proposed ordinance establishes a 15 percent inclusionary housing requirement for qualifying residential developments. Ownership projects would provide a mix of low- and moderate-income ownership units, while rental projects would provide a mix of very low- and low-income rental units. Developers would also have the option of satisfying these obligations through payment of an affordable housing in-lieu fee where authorized by the ordinance.

Based on the Strategic Economics feasibility analysis and the affordability thresholds previously discussed, staff anticipates preparing a City Council resolution establishing the following affordable housing in-lieu fees following Planning Commission direction:

Development Type	Proposed In-Lieu Fee
Townhomes	**$119 per square foot**
Condominiums	**$131 per square foot**
Small Scale Apartments	**$73 per square foot**
Five-Story Apartments	**$91 per square foot**

The proposed ownership fees correspond to a 15 percent inclusionary housing requirement targeting a mix of low- and moderate-income households. The proposed rental fees correspond to a 15 percent inclusionary housing requirement targeting a mix of very low- and low-income households. These fee amounts are derived directly from the Strategic Economics feasibility analysis and are intended to provide an equivalent affordable housing obligation when an applicant elects to satisfy the inclusionary requirement through payment of an in-lieu fee.

Planning Commission feedback on the proposed ordinance and implementation approach will assist staff in refining the ordinance, preparing the accompanying in-lieu fee resolution, and developing the City Council staff report for formal public hearings.

ENVIRONMENTAL REVIEW:

The proposed ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061(b)(3) because it establishes a regulatory framework and does not approve a specific development project or authorize any physical change to the environment.

FISCAL IMPACT:

There is no immediate fiscal impact associated with this discussion item.

The proposed Inclusionary Housing Ordinance establishes the framework for requiring either the construction of affordable housing units or payment of an affordable housing in-lieu fee for qualifying residential developments. Following Planning Commission direction, staff will prepare a City Council resolution establishing the in-lieu fee schedule based on the findings and recommendations contained in the Strategic Economics Residential Feasibility Study and Inclusionary Housing Analysis.

If adopted by the City Council, any in-lieu fees collected would be deposited into the Town's Affordable Housing Fund and used exclusively for affordable housing purposes consistent with the ordinance and applicable State law. Administrative costs associated with implementation of the program are expected to be minimal and accommodated within existing staff resources.

ATTACHMENTS:

1. Strategic Economics Residential Feasibility Study and Inclusionary Housing Analysis
2. Draft Inclusionary Housing Ordinance
3. Draft Planning Commission Resolution

STRATEGICECONOMICS

COMMUNITY PLANNING COLLABORATIVE

Residential Feasibility Study and Inclusionary Analysis

FINAL DRAFT REPORT

Prepared for:

Town of Los Altos Hills

June 17, 2026

LOS ALTOS HILLS CALIFORNIA

Table of Contents

TABLE OF FIGURES **3**

I. INTRODUCTION **5**

Report Purpose 5

Background on Inclusionary Housing Policies 5

Report Organization 8

II. FINANCIAL FEASIBILITY ANALYSIS **9**

Methodology 9

Analysis Approach 9

Prototypes 10

Pro Forma Assumptions 12

Initial Feasibility Analysis Results 17

Trends Influencing Feasibility 17

Feasibility Findings 19

Policy and Market Scenarios 22

Inclusionary Policy Scenarios 23

Market Scenarios 25

In-Lieu Fee Analysis 28

III. POLICY CONSIDERATIONS AND FINDINGS **31**

Inclusionary Policies in Neighboring Jurisdictions 31

Other Policy Considerations 32

Summary of Findings and Conclusions 34

Findings 34

Conclusions 34

APPENDIX I: FINANCIAL FEASIBILITY ASSUMPTIONS **37**

Cost Assumptions 37

Prototype and Revenue Assumptions 39

APPENDIX II: EXAMPLE POLICY OUTCOMES AND CONSIDERATIONS FOR IMPLEMENTATION **43**

Policy Outcomes Assuming No State Density Bonus 43

Policy Outcomes with the State Density Bonus Law 47

Table of Figures

Figure 1: Income Limits for Santa Clara County in 2025, by Category and Household Size 6

Figure 2: Components of Financial Feasibility: Project Value and Project Cost Components 7

Figure 3: Potential Impact of Inclusionary Policies on Financial Feasibility 7

Figure 4: Residential Prototypes Used in Inclusionary Analysis for Los Altos Hills 11

Figure 5: Summary of Cost Assumptions for Ownership Housing Pro Forma 13

Figure 6: Summary of Cost Assumptions for Rental Pro Forma 14

Figure 7: Ownership Pro Forma Market Rate Unit Revenue Assumptions 15

Figure 8: Rental Pro Forma Market Rate Revenue Assumptions 15

Figure 9: Maximum AMI for Income Categories vs. "Achieved AMI" Assumption for Ownership and Rental Inclusionary Units 16

Figure 10: Maximum Sales Price for Below Market Rate Units by Income Level and Prototype, 2025 17

Figure 11: Market Rate Rent in Los Altos Hills vs. Achieved Monthly Rent per Unit at Required Income Level, 2025 17

Figure 12: Santa Clara County Trends in Home Values, Construction Costs, and Multifamily Rents, 2020 to 2025 18

Figure 13: Monthly Santa Clara County Home Value Index vs. National Weekly 30-Year Mortgage Rate 18

Figure 14: General Market Trends in Santa Clara County for 4- and 5-Star Rental Properties, Cap Rate vs. Value per Unit 19

Figure 15: Pro Forma Results per Unit for Ownership Housing in Los Altos Hills 20

Figure 16: Residual Land Value vs. Land Costs per Unit for Ownership Housing in Los Altos Hills without Inclusionary Policy 21

Figure 17: Pro Forma Results per Unit for Rental Housing in Los Altos Hills 22

Figure 18: Residual Land Value vs. Land Costs per Unit for Rental Housing in Los Altos Hills 22

Figure 19: Residual Land Value per Unit vs. Land Costs per Unit in Los Altos Hills with a 15 Percent Inclusionary Requirement, by Income required – Ownership Units 24

Figure 20: Residual Land Value per Unit vs. Land Costs per Unit in Los Altos Hills by Inclusionary Scenario – Rental Units 25

Figure 21: Sensitivity of Residual Land Value to Market Price in Los Altos Hills – Townhomes 26

Figure 22: Sensitivity of Residual Land Value to Market Price in Los Altos Hills – 5-Story Condos 26

Figure 23: Residual Land Value vs. Land Costs per Unit for Small Scale Rental Apartments Los Altos Hills, with Current Market Conditions vs. Range of Likely Market Outcomes 27

Figure 24: Residual Land Value vs. Land Costs per Unit for 5-Story Rental Apartments in Los Altos Hills, with Current Market Conditions vs. Range of Possible Market Outcomes 28

Figure 25: Equivalent In-Lieu Fee per Net Square Foot Corresponding to Revenue Foregone from Inclusionary Policy in Los Altos Hills, by Scenario – Ownership Units 29

Figure 26: Equivalent In-Lieu Fee per Net Square Foot Corresponding to Revenue Foregone from Inclusionary Policy in Los Altos Hills, by Scenario – Rental Units 30

Figure 27: Inclusionary Requirements in Santa Clara County Jurisdictions, as of 2025 32

Figure 32: Detailed Cost Assumptions for Ownership Prototypes in Los Altos Hills 37

Figure 29: Detailed Cost Assumptions for Rental Prototypes in Los Altos Hills 38

Figure 34: Los Altos Hills Municipal Fee Estimates - Ownership and Rental Prototypes 39

Figure 35: Market Rate Ownership Pro Forma Revenue Assumptions, Lost Altos Hills 39

Figure 36: Market Rate Rent per Unit Assumptions, Los Altos Hills 40

Figure 37: Area Median Income and Income Limits for Santa Clara County, 2025 40

Figure 38: Maximum Sales Price per Unit and Average BMR Price for Townhome Prototype in Santa Clara County, by BMR Income Level, 2025 41

Figure 39: Maximum Sales Price per Unit and Average BMR Price for 5-Story Condos in Santa Clara County, by Income Level, 2025 41

Figure 40: Below Market Rate Rental Revenue Assumptions in Santa Clara County, 2025 42

Figure 37: Example Policy Outcomes by Scenario for Ownership 45

Figure 38: Example Policy Outcomes by Scenario for Rental 46

Figure 39: Density Bonus Amount Triggered by Provision of Affordable Units, By Income Level and Share of Units in Income Category 47

Figure 40: Example Policy Outcomes Assuming Utilization of the State Density Bonus Law by Scenario for Ownership 48

Figure 41: Example Policy Outcomes Assuming Utilization of the State Density Bonus Law by Scenario for Rental 49

I. Introduction

REPORT PURPOSE

This report is part of a collaborative effort by six jurisdictions in Santa Clara County to analyze and potentially implement new or revised affordable housing policy tools. The participants in the study include Gilroy, Los Altos Hills, Los Gatos, Mountain View, the City of Santa Clara, and Sunnyvale. Together, these jurisdictions have commissioned Strategic Economics to perform a **Grand Nexus Study**. The study includes the required analysis and recommendations for:

- **Residential impact fees** charged on single-family units and "missing middle" developments of fewer than 10 units
- **Inclusionary affordable housing requirements** and associated in-lieu fees
- **Commercial linkage fees** charged on non-residential development

The Grand Nexus Study culminated in three reports to address each of the above policies: The Residential Impact Fee Study; The Residential Feasibility Study and Inclusionary Analysis (this report); and The Commercial Linkage Fee Study. Each jurisdiction has opted into one, two, or all three components of the study.

This report focuses on inclusionary housing policies in the Town of Los Altos Hills. Los Altos Hills does not currently have an inclusionary policy. The report describes how inclusionary policies work, how policy alternatives could impact the financial feasibility of new housing development, and how Los Altos Hills could leverage a possible inclusionary housing policy to increase affordable housing production within the town. The purpose of this report is to provide context and findings for the Town to review when considering a possible inclusionary housing policy.

BACKGROUND ON INCLUSIONARY HOUSING POLICIES

Inclusionary housing policies—also called "inclusionary zoning"—require market rate housing developers to set aside a percentage of units in a residential project and offer them at below market rates as deed-restricted affordable units. California law requires rental inclusionary policies to provide for alternative means of compliance with the policy, such as by paying a fee "in-lieu" of providing on-site units or by supporting the production of affordable units in some other way (such as a land donation). Inclusionary policies capture some of the economic value generated by building market rate housing in order to subsidize the development of affordable units. Inclusionary policies are one strategy local governments can use to create mixed income developments, provided the policy is met with onsite units.

Typically, inclusionary policies designate certain income requirements that developers must meet to fulfill the affordability requirement. These income categories are based on the area median income (AMI) of a region. Rents and sales prices are set at below market rate (BMR) levels so that households pay no more than 30 percent of the targeted income level for their income category. Each year, the California Department of Housing and Community Development (HCD) publishes income limits and standard housing income categories for every county corresponding to its AMI. Figure 1 shows the income limits for Santa Clara County in 2025.

FIGURE 1: INCOME LIMITS FOR SANTA CLARA COUNTY IN 2025, BY CATEGORY AND HOUSEHOLD SIZE

	Extremely Low	Very Low	Low	Median	Moderate
Percent of AMI:	30%	50%	80%	**100%**	120%
Household Size					
1	$42,200	$70,350	$111,700	**$136,650**	$164,000
2	$48,200	$80,400	$127,650	**$156,150**	$187,400
3	$54,250	$90,450	$143,600	**$175,700**	$210,850
4	$60,250	$100,450	$159,550	**$195,200**	$234,250
5	$65,100	$108,500	$172,350	**$210,800**	$253,000

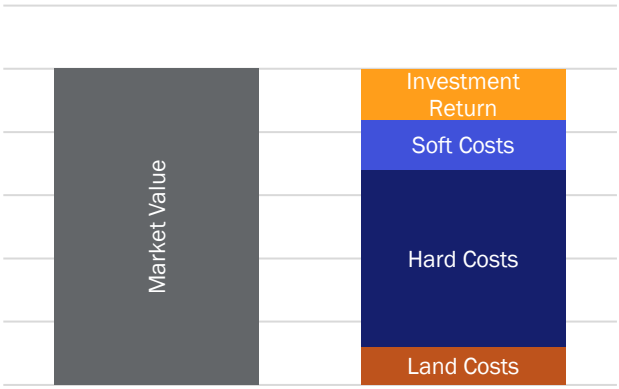
Source: CA HCD, 2025; Strategic Economics, 2025.

INCLUSIONARY POLICIES AND FINANCIAL FEASIBILITY

Because inclusionary policies seek to leverage the activities of the private market to produce affordable housing, they are reliant on the financial feasibility of market rate housing projects. Market rate development projects are only financially feasible when the market value of the project (based on total revenue) exceeds project costs and an investment return required by capital markets. As shown in Figure 2, financial feasibility is determined by the following factors:

- Total **market value** is determined by the revenues generated by the project.
    - **For ownership projects**, the market value consists of the sales prices the units can obtain.
    - **For rental projects,** the market value of the project depends on the annual revenue it will generate and the current capitalization rate, which reflects overall project investment risk relative to alternative investments.
- Total **project costs** include hard costs, soft costs, investment return, and land costs.
    - **Hard costs** include materials and labor associated with physical construction of the building.
    - **Soft costs** include indirect expenses such as architecture and engineering, taxes, insurance, financing costs, and municipal fees.
    - **Land costs** refer to the price the developer pays to acquire the land.
- **Investment return** refers to the required financial return on investment that a project must achieve to attract developer and lender investment. For ownership projects, required return is based on the net revenues from the initial sale of units. For rental projects, required return is based on the stabilized annual operating income of the development.

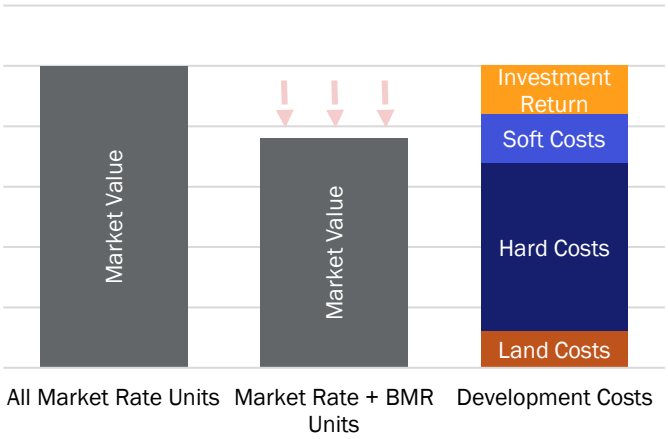
FIGURE 2: COMPONENTS OF FINANCIAL FEASIBILITY: PROJECT VALUE AND PROJECT COST COMPONENTS



Source: Strategic Economics, 2025.

Inclusionary policies have the benefit of potentially producing affordable housing units without using public forms of subsidy, but they may impact financial feasibility by reducing the market value of the project. Because inclusionary units generate less revenue than market rate units, substituting market rate units with inclusionary units will reduce the project's total revenue. Figure 3 visualizes this impact on the project's overall feasibility. In this example, a new project that may be feasible with all market rate units becomes infeasible if its total value is significantly reduced when a percentage of the units are offered at below market rates. However, projects that generate an investment return that is sufficiently high to absorb a reduction in value from the inclusionary policy, while still meeting a minimum market return, will remain financially feasible.

FIGURE 3: POTENTIAL IMPACT OF INCLUSIONARY POLICIES ON FINANCIAL FEASIBILITY



Source: Strategic Economics, 2025.

An effective inclusionary policy will set affordability requirements high enough that they result in substantial additional affordable units, but not so high that they prevent the feasibility of market rate housing projects altogether. Thus, the purpose of conducting a feasibility analysis is to identify an inclusionary level that that allows projects to generate enough revenue to proceed while also providing affordable units.

Financial feasibility in market rate housing projects depends upon a variety of highly dynamic factors. Project costs can fluctuate due to changes in construction labor, materials costs, interest rates, or a variety of other factors. Similarly, a project's revenue can fluctuate significantly based on the availability of housing supply in the local market, changes in the attractiveness of a project's location, or other factors impacting demand in the local market. Finally, the minimum investment return can fluctuate based on external factors such as interest rates in the macro economy or trends in real estate capital markets. The Policy and Market Scenarios discussion in the next section includes an analysis of market scenarios that address these fluctuations. Additionally, updating feasibility analyses periodically can help ensure that inclusionary policies are still able to function optimally as market conditions change.

REPORT ORGANIZATION

This report summarizes the impact of potential inclusionary policies on financial feasibility for housing projects and provides context for consideration of policy options. The remainder of this report is organized in two sections:

- Section II, Financial Feasibility Analysis, describes the current market for housing development in Los Altos Hills; the potential for market rate projects to support inclusionary housing; and the sensitivity of financial feasibility to market conditions. This section also discusses the relationship between inclusionary requirements and in-lieu fee levels.

- Section III, Policy Considerations and Findings section discusses inclusionary housing policies used by Los Altos Hills' neighboring jurisdictions and other state and local policy considerations influencing the implementation of inclusionary policies. The Summary of Findings and Conclusions portion of this section summarizes the final conclusions from all prior sections for consideration by the Town of Los Altos Hills.

The report also includes two appendices:

- Appendix I: Financial Feasibility Assumptions
- Appendix II: Example Policy Outcomes and Considerations for Implementation

II. Financial Feasibility Analysis

Strategic Economics conducted a financial feasibility analysis to test the viability of housing products under current market conditions and test a set of inclusionary policy scenarios under a range of market conditions. This analysis evaluated both ownership and rental housing project types. The results provide context that the Town of Los Altos Hills can use to assess and potentially modify its inclusionary policy to align with the Town's affordable housing objectives in an evolving market.

This financial feasibility analysis section includes four parts. It begins with an overview of the methodology used for the feasibility analysis, including details on the modeling approach and the types of housing tested in the analysis. This section then shows the results of the financial feasibility modeling for all housing types in Los Altos Hills—both with the existing inclusionary policy and under a variety of market and inclusionary policy scenarios. The financial feasibility analysis concludes with an overview of in-lieu fees, explaining how they are calculated and how inclusionary requirements impact in-lieu fee levels.

METHODOLOGY

Analysis Approach

Strategic Economics evaluated financial feasibility for housing projects in Los Altos Hills using a static "pro forma" model. A pro forma is a real estate finance model used to aggregate assumptions about development costs, revenue, and financing conditions to evaluate the financial feasibility of new housing projects. A static pro forma—a simplified version of pro forma that does not model developer cash flows over time—is a standard approach for supporting broadly applicable policy and planning decisions.

Applying this pro forma model to residential projects and inclusionary policies in the Los Altos Hills required three steps:

- Develop a set of residential development "prototypes" to evaluate inclusionary policies for multi-unit development across a range of product types typical of recent housing construction in Santa Clara County;
- Develop pro forma assumptions for these prototypes, including hard construction costs, soft costs, and revenue expectations for Los Altos Hills. Strategic Economics based these assumptions on market research, interviews with developers active in Santa Clara County, and other recent experience with pro forma analysis in the San Francisco Bay Area.
- Use the pro forma model to test the financial performance of each prototype under a variety of market and policy scenarios.

EVALUATING FEASIBILITY

Strategic Economics measured the financial performance of each prototype using **residual land value analysis**. In residual land value analysis, the land cost estimate is initially taken out of the equation. Instead, the analysis begins by estimating project market value, hard costs, and soft costs, as well as a minimum acceptable return for a typical developer pursuing the project.

This calculation requires identifying six key metrics for feasibility:

- **Project Revenue** is the primary indicator of market value for the project, based on expected income or sales proceeds.
    - For ownership projects, this is the project's total net sales proceeds.
    - For rental projects, this is the project's annual net operating income (NOI), which is defined as the annual revenue from rent, less vacancy and operating costs.
- **Target Return** is the level of return on investment that a project must achieve for the developer and lenders to determine that it is a worthwhile investment.
    - For ownership projects, this metric used is *return on cost.* Return on cost is the ratio of net project value to total development cost.
    - For rental projects, the primary metric is *yield on cost.* Yield on cost is the ratio of NOI to total development cost.[1]
- **Supportable Development Costs** are the highest development cost for which the project would still be viable given project revenue and the minimum target return.
    - For ownership products, the supportable development cost is each project's projected net sales proceeds, less the required return on cost.
    - For rental projects, the supportable development cost is the project's projected NOI divided by its minimum target yield on cost.
- **Total Development Costs (Excluding Land)** are the sum of hard construction costs, soft costs, municipal fees, financing costs, and contingency.
- **Residual Land Value (RLV)** is calculated by subtracting total development cost (excluding land) from supportable development cost. The residual land value that remains, therefore, represents the maximum a developer could pay for land while still achieving the minimum necessary return.
- Residual land value can be compared to **Typical Land Costs** to evaluate feasibility. Typical land costs are the market average costs (calculated on a per square foot basis) for a vacant property on which the housing project could be built.

A project is financially infeasible when its residual land value is less than zero. If its residual land value is greater than zero but less than the typical market value for land, the project may be feasible because land values tend to vary significantly within a market depending on a range of factors. If the residual land value is at or greater than a typical land value, it is likely to be feasible.

Prototypes

The development prototypes used in the feasibility analysis are generalized examples of new housing, representing a broad range of multi-unit housing projects typical of recent development trends in northern Santa Clara County. This study used four residential prototypes to evaluate financial feasibility. The set of prototypes in the inclusionary study overlaps with the set in the residential impact fee study, which considered small scale multi-unit as well as build-to-suit single-family homes.

The prototypes used in the Los Altos Hills' inclusionary analysis range in density from 20 to 73 units per acre, and from three to eight stories in height. Figure 4 provides a summary of each of the five

[1] For a development project to obtain financing, its yield on cost must be higher than its capitalization rate—the ratio of NOI to project value. In other words, lenders and developers expect the completed project to be worth more than its total development costs. The relationship between yield on cost and cap rates varies based on financing conditions and perceived market risk.

prototypes. This includes two ownership product types and three rental product types, as described below:

Ownership Prototypes

- **Townhomes:** this prototype represents a development with attached, single-family units built at a density of 20 units per acre. These units generally include between two and four-bedrooms, averaging 1,710 square feet, and are built over a private garage.

- **5-Story Condos:** this prototype includes four stories of for-sale flats, built at a density of 52 units per acre, over one story of podium parking and one story of parking underground. Units in this building would range from one-bedroom to four-bedrooms, for an average unit size of 1,382 square feet. This prototype includes two parking spaces per unit.

Rental Prototypes

- **Small Scale Rental Apartments:** this prototype is a three-story multifamily building at a density of 36 units per acre. The prototype contains a mix of studio to three-bedroom units, with an average unit size of 955 square feet. Parking is a combination of surface and tuck-under parking with two spaces per unit.

- **5-Story Rental Apartments:** this prototype is a similar building type to the 5-story Condo prototype, but with smaller units and a higher residential density of 73 units per acre. This prototype includes a mix of units from studios to three-bedrooms, with an average unit size of 891 square feet. This prototype includes 1.75 parking spaces per unit.

FIGURE 4: RESIDENTIAL PROTOTYPES USED IN INCLUSIONARY ANALYSIS FOR LOS ALTOS HILLS

	Townhomes	5-Story Condos	Small Scale Rental Apartments	5-Story Rental Apartments
Tenure	**Ownership**	**Ownership**	**Rental**	**Rental**
Parcel Size (acres)	1.5	1.8	1.5	1.8
Number of Stories	3	5	3	5
Total Gross Square Feet	50,850	148,000	60,647	133,059
Retail Square Feet	0	0	0	0
Number of Units	30	90	54	128
Average Unit Size (square feet)	1,710	1,382	955	891
Bedroom Types	2-BD to 4-BD	1-BD to 4-BD	Studio to 3-BD	Studio to 3-BD
Units per Acre	20	51	36	73
Parking Format	Private Garages	Underground + Podium	Surface + Tuck-Under	Underground + Podium
Residential Parking Ratio	2.00	2.00	2.00	1.75
Residential Parking Spaces	60	180	108	224
Retail Parking Spaces	0	0	0	0

Source: Strategic Economics, 2025; Cities in Santa Clara County, 2025; CoStar, 2025.

Pro Forma Assumptions

COST AND RETURN ASSUMPTIONS

Strategic Economics estimated development costs based on interviews with developers and general contractors experienced with residential development in Santa Clara County, as well as reviews of market data and budgets for other development projects throughout the Bay Area. As noted earlier, the main cost categories for development include hard costs, soft costs, and land costs:

- **Hard costs** refer to the direct construction costs, such as materials and construction labor, used to physically prepare the site for development, construct the building, and perform all site work including site circulation, utilities, and landscaping.

- **Soft costs** include all indirect expenses required to complete a development project, such as architecture, engineering, consulting, legal fees, taxes, municipal fees, and insurance. In addition to these costs, developers must account for the cost of financing a construction loan, and a contingency for unexpected expenses.

- **Land costs** refer to the cost of acquiring land for development. In residual land value analysis, the land cost is calculated last, as the highest land cost the developer could afford to pay and still have the project pencil. Strategic Economics also estimated "typical land costs" for each prototype to compare against the residual land value and assess feasibility. **Because higher density, compact housing types such as townhomes, condominiums, and rental apartments remain untested by the market in Los Altos hills, the "typical" cost of land for the studied prototypes is more uncertain than in other markets where recent land sales for similar developments can be observed.** Strategic Economics estimated land costs in Los Altos Hills by inferring from more general patterns in land values in Santa Clara County and from typical industry standard ranges in land costs as a percentage of overall project value**.**

Strategic Economics modeled the required **investment return** as follows:

- For ownership projects, required return is based on the net revenues from the initial sale of units (referred to as *return on cost*).
- For rental projects, required return is based on the stabilized annual operating income of the development (referred to as *yield on cost*).

The Townhome and Condo prototypes assume similar wood frame construction methods for the residential portions of their buildings, but the Condo prototype also includes significant added costs of above- and below-ground parking, mechanical, and utility systems. These differences translate to a higher cost of construction of $400 per residential square foot. Figure 5 provides a high-level overview of cost assumptions used to evaluate financial feasibility for ownership product types. The condo prototype also has higher construction financing costs due to its longer construction time. More detailed cost assumptions for these prototypes can be found in the Appendix, in Figure 28.

FIGURE 5: SUMMARY OF COST ASSUMPTIONS FOR OWNERSHIP HOUSING PRO FORMA

	Unit of measure	Townhomes	5-Story Condos
Land Costs	per square foot	$125	$125
Hard Costs			
Demolition and Site Work	per sq. ft. land	$40	$40
Building Area Construction	per gross sq. ft.	$275	$400
Parking			
Private Garages		N/A – Included in building area	
Structured/Podium	per space		$50,000
Underground	per space		$80,000
Soft Costs			
Arch, Eng., Consulting, Taxes, Insurance, Legal, and Other Soft Costs (excluding fees, contingency)	% of hard costs	18.0%	18.0%
Municipal Fees	per unit	$106,385	$100,404
Contingency	% of hard + soft costs	5.0%	5.0%
Financing Costs	% of hard + soft costs	4.2%	6.2%
Developer Return			
Target Developer Return-on-cost	% of total dev costs	15.0%	15.0%

Sources: Strategic Economics, 2025; Developer Interviews, 2025; Redfin, 2025; CoStar, 2025; Federal Reserve Bank of New York, 2025.

Rental prototypes have similar differences in construction costs related to their number of stories, parking format, and inclusion of retail components. Figure 6 summarizes development costs for each of the two rental prototypes. The 5-Story Apartments cost slightly more to build than the Small Scale Apartments because of differences in height and parking format. Further, projects with smaller average unit sizes cost more to build on a square foot basis because they require a higher density of appliances, plumbing, and electrical systems. The five-story rental prototype typically also requires longer construction periods—leading to larger financing costs than those assumed for the Small Scale Apartments. Lastly, the assumption for typical land value for each prototype was based on its locational value and zoned development capacity. Further details on cost assumptions are shown in the Appendix, in Figure 29.

FIGURE 6: SUMMARY OF COST ASSUMPTIONS FOR RENTAL PRO FORMA

	Unit of measure	Small Scale Rental Apartments	5-Story Rental Apartments
Land Costs			
Land Costs	per square foot	$125	$125
Hard Costs			
Demolition and Site Work	per sq. ft. land	$40	$40
Building Area Construction			
Residential - Type V	per gross sq. ft.	$290	$310
Parking			
Surface	per space	$10,000	
Structured/Podium	per space		$50,000
Underground	per space		$80,000
Tuck-under	per space	$10,000	
Soft Costs			
Arch, Eng., Consulting, Taxes, Insurance, Legal, and Other Soft Costs (excluding fees, contingency)	% of hard costs	13.0%	13.0%
Municipal Fees	per unit	$75,783	$75,559
Contingency	% of hard + soft costs	5.0%	5.0%
Financing			
Total Financing Cost	% of hard + soft costs	5.4%	6.2%
Developer Share			
Developer Overhead Fee	% of hard + soft costs	3.0%	3.0%
Target Developer Yield-on-Cost	% of total dev costs	5.5%	5.5%

Sources: Strategic Economics, 2025; Developer Interviews, 2025; Redfin, 2025; CoStar, 2025; Federal Reserve Bank of New York, 2025.

MARKET RATE REVENUE ASSUMPTIONS

Because there are currently no compact rental or ownership developments in Los Altos Hills, there was little directly comparable market data on which to base market rents and sales price assumptions for these product types. In developing these assumptions, Strategic Economics reviewed similar developments in other parts of Santa Clara County, but **actual rents and sales values in Los Altos Hills have yet to be tested by the market**. The sensitivity of the feasibility results to market conditions is discussed in more detail in the next section.

Strategic Economics analyzed recent property sales data from Redfin and CoStar alongside current property listings and input from local developers to determine market rate revenue assumptions for ownership products. Because there are no examples of recent townhome or condo sales within Los Altos Hills, Strategic Economics examined townhome and condo sales prices in nearby jurisdictions and single-family home sales in Los Altos Hills to estimate sales prices for these product types within the town.

Ownership revenue assumptions are shown in Figure 7. Strategic Economics assumed that typical townhome sales prices in Los Altos Hills would range from $1.7 million for a two-bedroom unit to $2.0 million for a four-bedroom unit. Typical condo prices in Los Altos Hills were assumed to range from $1.2 million for a one-bedroom unit to $2.1 million for a four-bedroom unit. Detailed revenue assumptions for ownership projects can be found in the Appendix in Figure 31.

FIGURE 7: OWNERSHIP PRO FORMA MARKET RATE UNIT REVENUE ASSUMPTIONS

	Unit of measure	Townhomes	5-Story Condos
Average Sales Value	**per unit**	**$1,880,833**	**$1,698,901**
Marketing Expense	% of Sales Price	5%	5%
Net Revenue		$1,786,792	$1,613,956

Sources: Strategic Economics, 2025; Developer Interviews, 2025; Redfin, 2025.

Market rate rent assumptions were derived from three sources of information. Strategic Economics analyzed current rental listings in comparable apartment projects; collected input from developers; and analyzed market trends from CoStar to identify typical rents in the area surrounding Los Altos Hills for similar rental types. Figure 8 provides a summary of revenue assumptions for each prototype, including the average monthly rent and assumptions for vacancy rate, operating costs, and capitalization rate. Capitalization rate (cap rate) refers to the ratio of net annual operating income (gross maximum rent, less vacancy and operating costs) to the project's total market value. Strategic Economics assumed that all rental prototypes have the same vacancy, operating expense ratio, and cap rate, but average monthly rent for each prototype differs according to unit size and building format. The units in the 5-Story Apartments are smaller than those in the Small Scale Apartments but can likely command higher rents per square foot, leading to higher average monthly rents per unit. Detailed revenue assumptions for rental projects can be found in the Appendix in Figure 32.

FIGURE 8: RENTAL PRO FORMA MARKET RATE REVENUE ASSUMPTIONS

	Unit of measure	Small Scale Rental Apartments	5-Story Rental Apartments
Rent Assumptions			
Average Unit Size	Square feet	955	891
Monthly Rent per Square Foot	$/sq. ft.	$4.61	$4.81
Average Monthly Rent	per unit	$4,019	$4,310
Other Revenue Assumptions			
Vacancy Rate	% of Units	5%	5%
Operating Expense	% of Market Rate Revenue	30%	30%
Capitalization Rate		4.50%	4.50%

Sources: Strategic Economics, 2025; Developer Interviews, 2025; Apartment Websites, 2025; CoStar, 2025.

BELOW MARKET RATE REVENUE ASSUMPTIONS

Strategic Economics also modeled the below market rate (BMR) rents and sales prices associated with inclusionary units as appropriate to each inclusionary policy scenario. These units were priced at a level such that qualifying households pay no more than 30 percent of their monthly income on housing costs. To determine whether households qualify for affordable housing, HCD publishes a table for each county that lists the county's "area median income" and household income categories based on household size. This income table (shown in the Appendix in Figure 33) delineates the maximum income that qualifies as very low-, low-, and moderate-income for each household size. The inclusionary policy designates what share of units must be provided to households in each income

range. The maximum revenue each inclusionary unit could generate is tied to the top of this range, although in practice this amount is somewhat lower than the maximum.

Expected revenues were calculated using the income limits, the assumed share of income that can be spent on housing, and estimates for other monthly costs. For ownership housing, other monthly costs might include utility costs, property taxes and insurance, private mortgage insurance, and homeowners' association (HOA) fees. For rental housing, this generally includes any utility costs not included in the rent. Because household incomes vary for households qualifying in each income category, Strategic Economics assumed that the average AMI level of qualifying households would be below the maximum allowable AMI in the income category. Figure 9 shows the assumed percentage of AMI used as an average in each income category for ownership and rental inclusionary units.

FIGURE 9: MAXIMUM AMI FOR INCOME CATEGORIES VS. "ACHIEVED AMI" ASSUMPTION FOR OWNERSHIP AND RENTAL INCLUSIONARY UNITS

Income Category	Maximum % of AMI	Assumed % of AMI for Ownership Units	Assumed % of AMI for Rental Units
Moderate-Income	120%	110%	110%
Median-Income	100%	90%	90%
Low-Income	80%	70%	60%
Very Low-Income	50%	N/A	50%

Sources: Strategic Economics, 2025.
Note: Achieved AMI reflects the likelihood that not all households qualifying in an income category could afford a rent or sales price based on the maximum income level within an income category. The percentages used correspond with California Health and Safety Code guidance on affordable rent and sales price levels for Very Low, Low, and Moderate-Income categories.

Though market rate rents and sales prices exceed affordable rents and prices for most income categories, market rate rents are likely to be affordable to moderate-income households. Figure 10 shows achieved sales prices for BMR units as modeled in the ownership pro forma models. For most income categories and prototypes, BMR units would achieve less than one-sixth of the market rate sales price in Los Altos Hills. Figure 11 shows achieved monthly rents for BMR units compared to market rate rents. For rental prototypes, BMR units could theoretically achieve rents that are close to market rate levels for Median-Income units, and that exceed market rate rents for Moderate-Income units. However, when modeling feasibility for inclusionary policies, Strategic Economics assumed that BMR rents would be no less than the achieved rents shown in Figure 11 and no more than the market rate rent for each unit type. Figure 34 and Figure 35 in the Appendix show more details on affordable sales prices and rent calculations.

FIGURE 10: MAXIMUM SALES PRICE FOR BELOW MARKET RATE UNITS BY INCOME LEVEL AND PROTOTYPE, 2025

	Townhomes	5-Story Condos
Average Market Rate Price per Unit	**$1,880,833**	**$1,698,901**
Below Market Sales Price per Unit (Income Level)		
Low (70% Achieved AMI)	$299,260	$285,259
Median (90% Achieved AMI)	$426,448	$403,744
Moderate (110% Achieved AMI)	$586,061	$522,229

Sources: Strategic Economics, 2025; Santa Clara County Housing Authority, 2025; CA HCD, 2025; Redfin, 2025; Freddie Mac, 2025; Alta Housing, 2025; Ownwell, 2025.
Notes: Accounts for share of income spent on housing costs (30%), current interest rates, monthly utility costs, taxes, insurance, and HOA costs. Achieved sales price reflects likely average for units in each income category in an inclusionary project.

FIGURE 11: MARKET RATE RENT IN LOS ALTOS HILLS VS. ACHIEVED MONTHLY RENT PER UNIT AT REQUIRED INCOME LEVEL, 2025

	Small Scale Rental Apartments	5-Story Rental Apartments
Average Market Rate Rent per Unit	**$4,019**	**$4,310**
Below Market Monthly Rent per Unit (Income Level)		
50% AMI (Very Low)	$2,018	$1,997
60% AMI (Low)	$2,371	$2,346
90% AMI (Median)	$3,616	$3,576
110% AMI (Moderate) – based on calculation	*$4,445*	*$4,395*
110% AMI (Moderate) Used in Model – based on market rate rent	*$4,019*	*$4,310*

Sources: Strategic Economics, 2025; Santa Clara County Housing Authority, 2025; CA HCD, 2025.
Note: This table shows achieved monthly rent at each income level based on 30 percent of monthly income at the specified share of AMI, less a utility allowance. Because the calculated rents for 110% AMI households exceed market rate rents, market rate rents were used in the model to estimate project revenue for projects requiring moderate-income units.

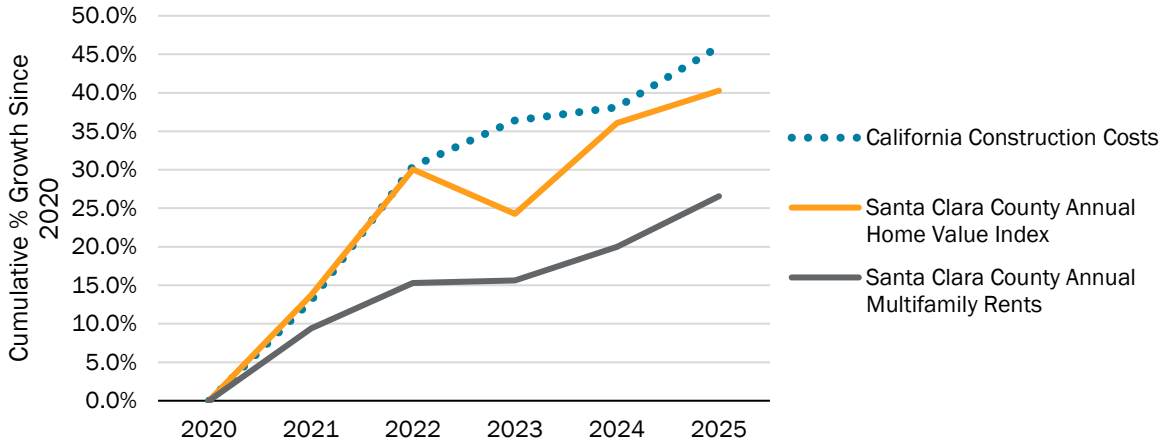
INITIAL FEASIBILITY ANALYSIS RESULTS

The current feasibility outlook in Los Altos Hills is a product of both the strength of the town's housing market and recent trends on a regional or national level that are influencing construction costs and housing demand. This section provides an overview of recent regional trends before presenting findings on ownership and rental project feasibility in Los Altos Hills.

Trends Influencing Feasibility

Home values in Santa Clara County largely kept pace with construction cost inflation over the past five years, while multifamily rent growth fell behind costs. The years 2022 and 2023 were a period of high rates of inflation throughout the national economy. As shown in Figure 12, construction costs across California rose by approximately 46 percent between 2020 and 2025. Home values in Santa Clara County increased by nearly as much (40 percent) over the same period. In comparison, Santa Clara County's multifamily rents grew by only 27 percent over the five-year period—far less than the construction cost increases developers have experienced in the multifamily construction industry.

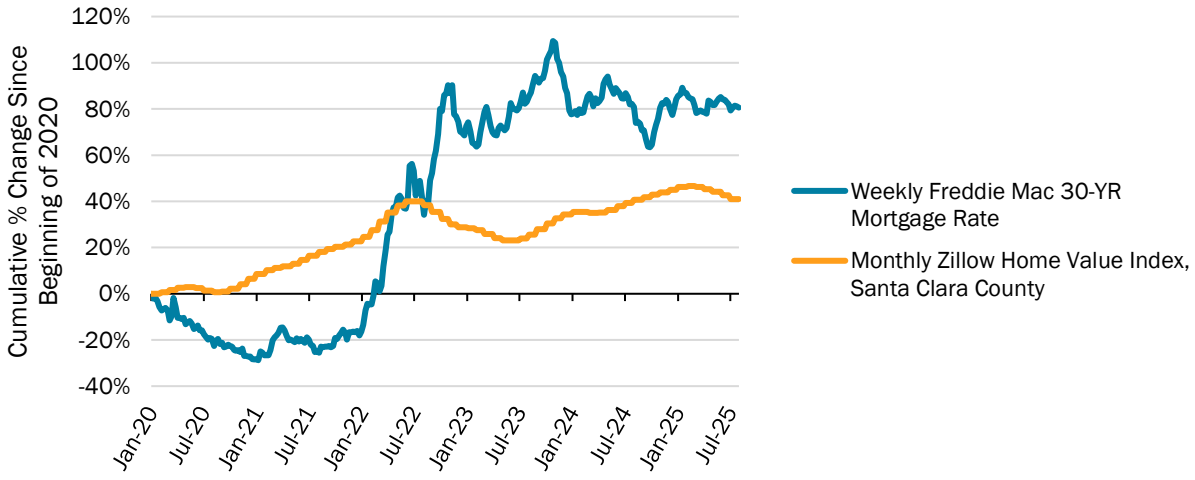
FIGURE 12: SANTA CLARA COUNTY TRENDS IN HOME VALUES, CONSTRUCTION COSTS, AND MULTIFAMILY RENTS, 2020 TO 2025



Sources: CoStar, 2025; CA EDD, 2025; ENR, 2025; Zillow, 2025; Strategic Economics, 2025.
Note: This chart shows the Zillow Home Value Index for Santa Clara County on an annual average basis, but doing so simplifies the monthly fluctuations in home value. For this reason, the trend shown here does not entirely match the trend shown in Figure 13, despite being based on the same data.

Santa Clara County home values increased rapidly from 2020 through mid-2022, but higher interest rates limited home value growth from late 2022 through 2025. Figure 13 shows monthly changes in the same home index for Santa Clara County shown Figure 12, and compares them to weekly fluctuations in the national 30-year mortgage rate over the past five years. This chart shows that mortgage interest rates doubled nationally, from 3.7 percent to 7.8 percent, between 2020 and 2023 and remained above 6.5 percent through mid-2025. Rising interest rates nationally moderated rising home prices in Santa Clara County, which grew by less than one percent between July of 2022 and July of 2025.

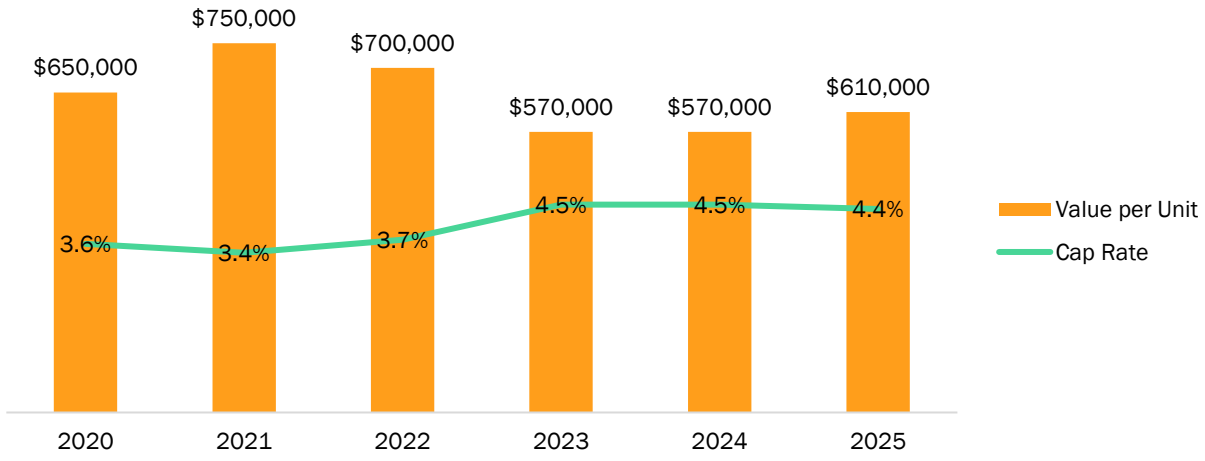
FIGURE 13: MONTHLY SANTA CLARA COUNTY HOME VALUE INDEX VS. NATIONAL WEEKLY 30-YEAR MORTGAGE RATE



Sources: Freddie Mac, 2025; Zillow, 2025; Strategic Economics, 2025.

The value per unit of multifamily properties in Santa Clara County decreased between 2021 and 2025. As shown in Figure 14, the average market value of four and five-star multifamily properties in Santa Clara County fell from a high of $750,000 per unit in 2021 to $570,000 in 2024, with a modest recovery for 2025 to date. Capitalization rates (which describe the ratio between a property's annual income and its market value) increased in 2023, indicating a decline in investor confidence in multifamily investments. This decline was in response to higher interest rates at the national level and a softening of the rental market in Santa Clara County and many other parts of the San Francisco Bay Area.

FIGURE 14: GENERAL MARKET TRENDS IN SANTA CLARA COUNTY FOR 4- AND 5-STAR RENTAL PROPERTIES, CAP RATE VS. VALUE PER UNIT



Sources: CoStar, 2025; Strategic Economics, 2025.

As a result of these recent market trends, multifamily rental projects are much less financially feasible in 2025 than they were in 2020, and ownership projects are slightly less feasible than they were in 2020. Multifamily rental project developers face much higher construction costs in 2025 than they did in 2020, with lower average market values per unit; this makes it much more difficult to develop a viable project in 2025. Ownership projects also face higher interest rates and higher construction costs in 2025 than they did in 2020. However, the market values for ownership units in Santa Clara County have mostly kept pace with construction costs over the past five years.

Feasibility Findings

The feasibility analysis results presented in this section reflect the market trends identified above. This section begins with an explanation of feasibility findings for ownership prototypes, followed by the feasibility results for rental prototypes.

FEASIBILITY OF OWNERSHIP PROTOTYPES

Both ownership prototypes are currently feasible in Los Altos Hills. Figure 15 shows the results of the pro forma analysis for both prototypes before considering any inclusionary policy scenario. Figure 16 compares the residual land value per unit for each ownership prototype with Strategic Economics' best estimate for market land values for these prototypes in Los Altos Hills. The Townhome prototype would generate a residual land value of approximately $720,000 per unit with no inclusionary requirement. Although the lack of market data for high density development in Los Altos Hills creates relative

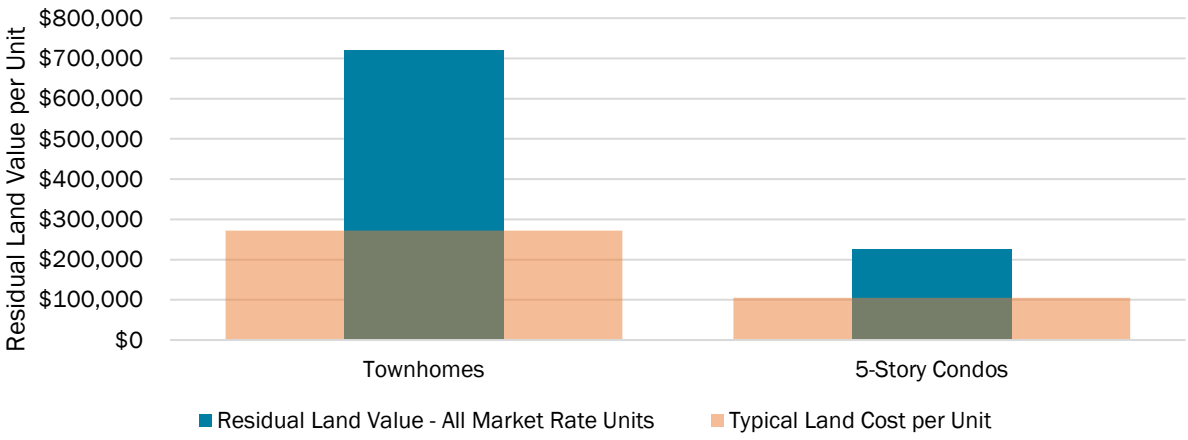
uncertainty in this result, the residual land value exceeds the typical range of market land values in other parts of Santa Clara County. The 5-Story Condo prototype would generate a residual land value of approximately $225,000 per unit, which also exceeds the estimate for typical land costs for condo projects. Unlike the Townhome prototype, the residual land value for the 5-Story Condo prototype is more in the typical range of land costs in other parts of the County, suggesting that the performance of this product is not as strong.

FIGURE 15: PRO FORMA RESULTS PER UNIT FOR OWNERSHIP HOUSING IN LOS ALTOS HILLS

	Townhomes	5-Story Condos
Revenue per Unit		
Gross Revenue (Average)	$1,880,833	$1,698,901
Less Marketing	-$94,042	-$84,945
Total Sales Proceeds	**$1,786,792**	**$1,613,956**
Development Costs per Unit		
Hard Costs	$557,370	$812,629
Soft Costs (Excluding Fees)	$100,327	$146,273
Other Municipal Fees	$106,385	$100,404
Financing & Contingency	$69,779	$119,693
Total Development Cost	**$833,860**	**$1,178,999**
Residual Land Value per Unit		
Total Sales Proceeds	$1,786,792	$1,613,956
Target Return on Cost	15%	15%
Supportable Development Cost	$1,553,732	$1,403,440
Total Development Cost	$833,860	$1,178,999
Residual Land Value	**$719,872**	**$224,441**
Feasibility (per unit)		
Residual Land Value	$719,872	$224,441
Typical Land Cost	$272,250	$104,712
Typical Land Cost per S.F.	$125	$125
Feasibility Result	**Feasible: RLV exceeds land cost**	**Feasible: RLV exceeds land cost**

Sources: Strategic Economics, 2025; Town of Los Altos Hills, 2025; Developer Interviews, 2025; Redfin, 2025.

FIGURE 16: RESIDUAL LAND VALUE VS. LAND COSTS PER UNIT FOR OWNERSHIP HOUSING IN LOS ALTOS HILLS WITHOUT INCLUSIONARY POLICY



Sources: Strategic Economics, 2025; Developer Interviews, 2025; Redfin, 2025.

FEASIBILITY OF RENTAL PROTOTYPES

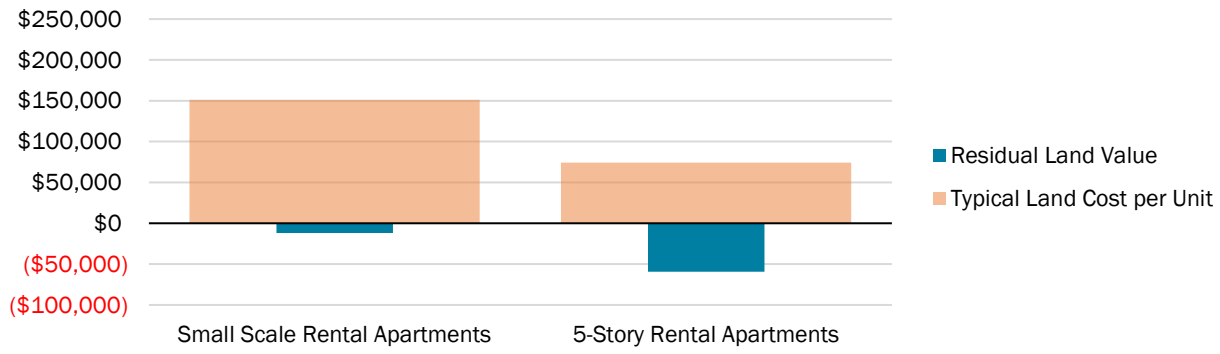
Strategic Economics found that neither of the two rental prototypes are feasible in Los Altos Hills under current market conditions. Figure 17 provides a summary of pro forma results for each prototype and Figure 18 visualizes the feasibility result. As Figure 17 shows, neither of the rental project types currently support a positive residual land value---indicating that neither rental prototype could afford to pay for land and remain feasible in Los Altos Hills. Of course, both costs and revenue projections can change as market conditions change; because development costs grew nearly 20 percent more than multifamily rents over the past five years (as shown in Figure 12) while cap rates increased (as shown in Figure 14), a multifamily project that was viable in Santa Clara County in 2020 would be challenging to develop in 2025.

FIGURE 17: PRO FORMA RESULTS PER UNIT FOR RENTAL HOUSING IN LOS ALTOS HILLS

	Small Scale Rental Apartments	5-Story Rental Apartments
Net Operating Income per Unit	**$31,344**	**$33,620**
Development Costs per Unit		
Hard Costs	$394,097	$459,824
Soft Costs (Excluding Fees)	$51,233	$59,777
Other Municipal Fees	$75,783	$75,559
Financing, Contingency & Developer Overhead	$60,830	$75,376
Total Development Cost	**$581,942**	**$670,536**
Residual Land Value per Unit		
Total Net Operating Income	$31,344	$33,620
Target Yield on Cost	5.5%	5.5%
Supportable Development Cost	$569,899	$611,270
Total Development Cost	$581,942	$670,536
Residual Land Value	**-$12,043**	**-$59,266**
Feasibility (per Unit)		
Residual Land Value	-$12,043	-$59,266
Typical Land Costs per Unit	$151,250	$74,443
Typical Land Costs per S.F.	$125	$125
Feasibility Result	**Infeasible; RLV is negative**	**Infeasible: RLV is negative**

Sources: Strategic Economics, 2025; Town of Los Altos Hills, 2025; Developer Interviews, 2025; CoStar, 2025.

FIGURE 18: RESIDUAL LAND VALUE VS. LAND COSTS PER UNIT FOR RENTAL HOUSING IN LOS ALTOS HILLS



Sources: Strategic Economics, 2025; Town of Los Altos Hills, 2025; Developer Interviews, 2025; CoStar, 2025.
Note: Current Policy requires 15 percent of units to be affordable, with an average income level of 100 percent of AMI. Because achieved rents are unlikely to equal the maximum allowable rent, this policy was tested assuming the project could achieve 90 percent AMI rents.

POLICY AND MARKET SCENARIOS

The previous section describes feasibility under current conditions in Los Altos Hills; this section considers alternative policies that may better align with the Town's objectives and optimize the production of affordable units in future years. In addition, Strategic Economics recommends that local governments considering a new or updated affordable housing policy anticipate the potential impact

of the policy under a range of market conditions, as it is difficult for local inclusionary ordinances to keep current with evolving market cycles.

Strategic Economics performed scenario testing to evaluate how the prototypes would perform with different inclusionary requirements and market conditions. Strategic Economics also calculated an equivalent in-lieu fee associated with each scenario. The purpose of this section is to help Los Altos Hills select inclusionary and in-lieu fee requirements that could remain relevant as market conditions change.

Inclusionary Policy Scenarios

This section describes the impact of an inclusionary policy on financial feasibility. Inclusionary policies consist of two main components: the percentage of onsite affordable units required, and the income group(s) targeted by the policy. The scenarios presented below assume an onsite inclusionary requirement of between ten and 15 percent, while testing the sensitivity of the results to different income levels. The findings and conclusions section includes a discussion of setting the percentage onsite requirement and the targeted income levels.

Strategic Economics tested the following inclusionary policy scenarios:

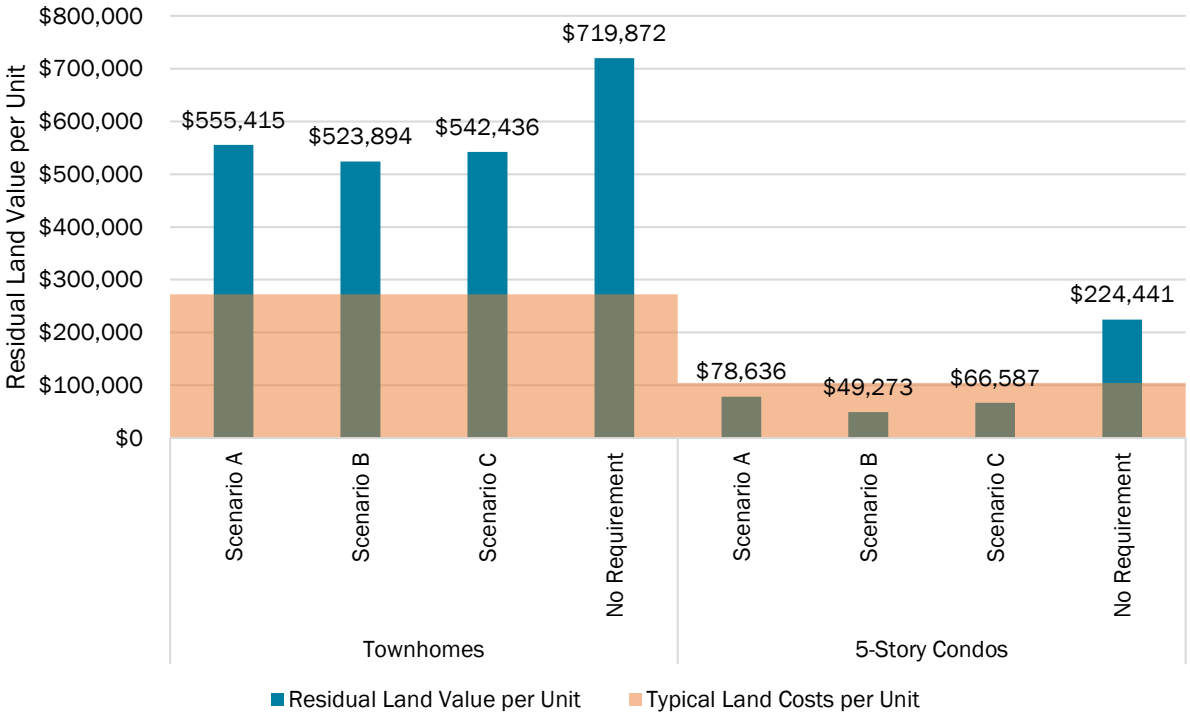
- **Ownership:**
    - Scenario A: **15 Percent** (all Moderate-Income)
    - Scenario B: **15 Percent** (all Low-Income)
    - Scenario C: **15 Percent** (7.5 Percent Low-Income and 7.5 Percent Moderate-Income)
- **Rental:**
    - Scenario A: **10 Percent** (5 Percent Very Low-Income and 5 Percent Low-Income)
    - Scenario B: **15 Percent** (7.5 Percent Very Low-Income and 7.5 Percent Low-Income)
    - Scenario C: **10 Percent** (5 Percent Extremely Low-Income and 5 Percent Very Low-Income)
    - Scenario D: **12 Percent** (4 Percent Extremely Low-Income, 4 Percent Very Low-Income, and 4 Percent Low-Income)

SCENARIO RESULTS

The tested policy scenarios for ownership housing are financially feasible for the Townhome prototype but marginally infeasible for the 5-Story Condo prototype. Figure 19 shows the residual land value per unit for both ownership prototypes with a 15 percent moderate-income requirement (Scenario A); 15 percent low-income requirement (Scenario B); and 15 percent requirement with a mix of both incomes (Scenario C). As discussed in the methodology section (Figure 10), there is a significant gap between new market rate home values and the below market sales prices for moderate- and low-income buyers. As a result, each policy scenario substantially reduces project revenues for both the Townhome and Condo prototypes; this is reflected in the drop in residual land values for each policy scenario compared to the result with no inclusionary requirement. However, for the Townhome prototype, each scenario still yields more than $500,000 per unit in residual land value, which is likely sufficient to

pay for land for such a project in Los Altos Hills. By contrast, the residual land value for the 5-Story Condo prototype drops below $100,000 per unit in each scenario—the estimated typical market price of land for that prototype. However, the policy scenarios may still be feasible for condominium developments if the actual land price is lower. Although townhomes are the higher-performing product type, condominium flats may still occur as part of a development with a mix of product types that include both horizontally attached and stacked units.

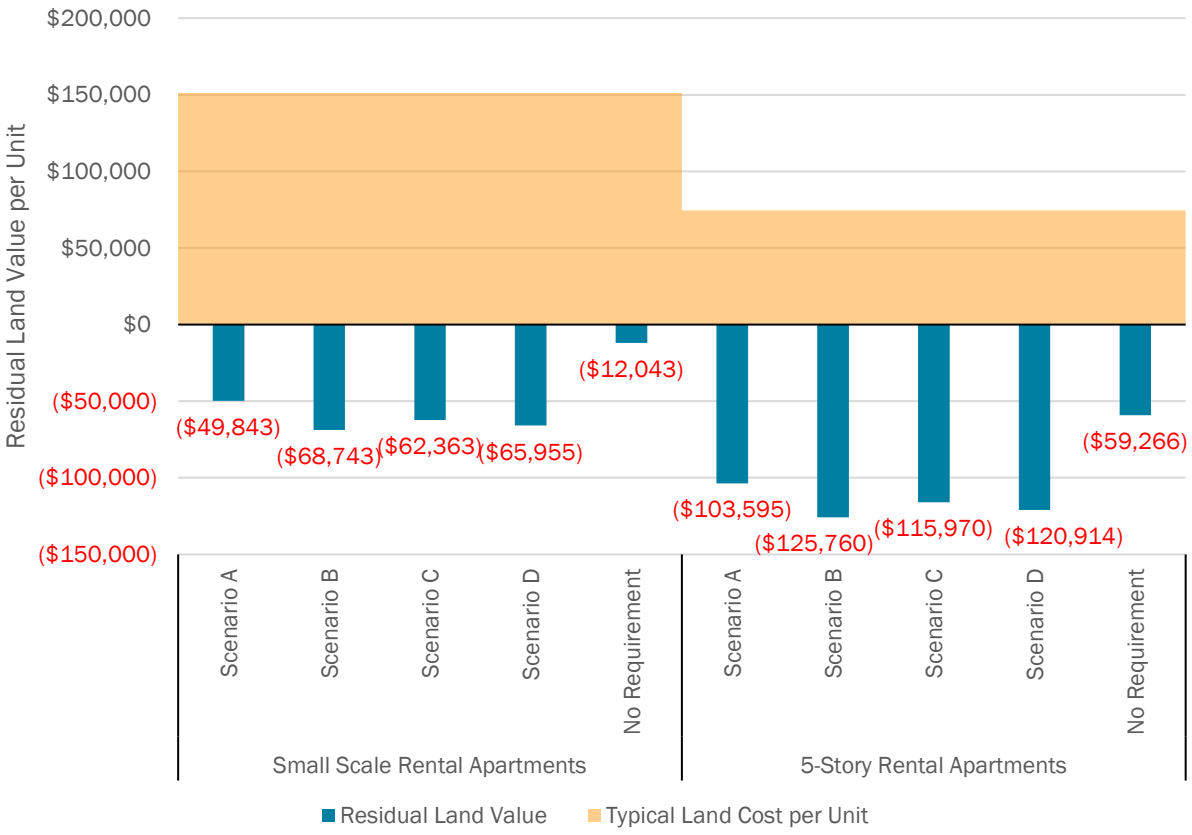
FIGURE 19: RESIDUAL LAND VALUE PER UNIT VS. LAND COSTS PER UNIT IN LOS ALTOS HILLS WITH A 15 PERCENT INCLUSIONARY REQUIREMENT, BY INCOME REQUIRED – OWNERSHIP UNITS



Sources: Strategic Economics, 2025; Town of Los Altos Hills, 2025; Developer Interviews, 2025; Redfin, 2025.
Note: Scenario A refers to a 15 percent moderate-income requirement (tested at 110% AMI). Scenario B refers to a 15 percent low-income requirement (tested at 70% AMI). Scenario C refers to a 15 percent requirement split between low-income and moderate-income.

Because the rental prototypes are infeasible under current market conditions without an inclusionary policy, the tested inclusionary policies are unlikely to be operative until market conditions improve. Figure 20 summarizes this result. This figure illustrates that—under current conditions—rental prototypes would generate approximately $38,000 to $66,000 less residual land value per unit under the tested scenarios compared to a scenario with no requirement. However, these differences would likely change as market rate rents, development costs, and area median income change over time. The next subsection includes findings on how changes in market conditions might support an inclusionary policy.

FIGURE 20: RESIDUAL LAND VALUE PER UNIT VS. LAND COSTS PER UNIT IN LOS ALTOS HILLS BY INCLUSIONARY SCENARIO – RENTAL UNITS



Sources: Strategic Economics, 2025; Town of Los Altos Hills, 2025; Developer Interviews, 2025; CoStar, 2025.
Note:

- Scenario A refers to a five percent very low-income requirement (50% AMI) and a five percent low-income requirement (60% AMI).
- Scenario B refers to a 7.5 percent very low-income requirement (50% AMI) and a 7.5 percent low-income requirement (60% AMI).
- Scenario C refers to a five percent extremely low-income requirement (30% AMI) and a five percent very-low income requirement (50% AMI).
- Scenario D refers to a four percent extremely low-income requirement (30% AMI), a four percent very-low income requirement (50% AMI), and a four percent low-income requirement (60% AMI).

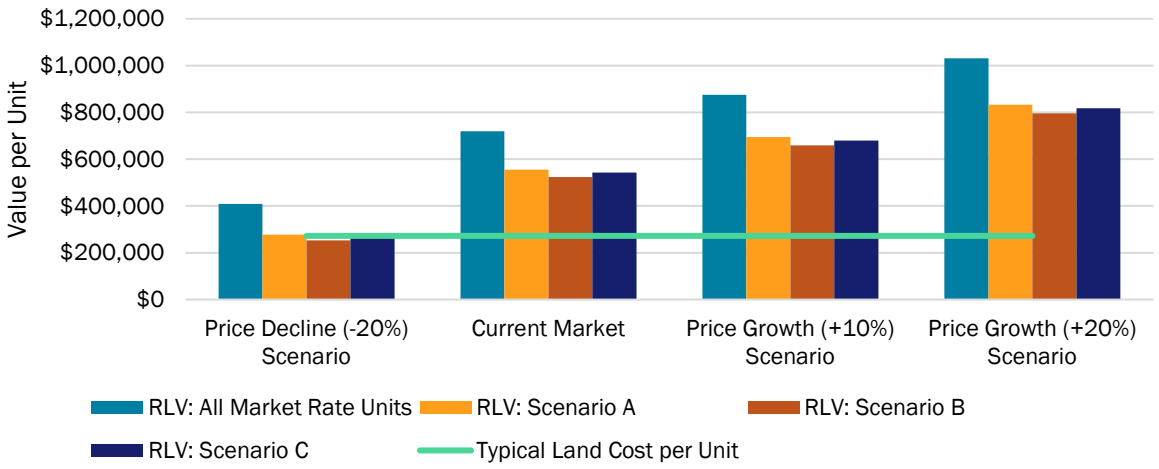
Market Scenarios

This section tests the sensitivity of the feasibility results to changes in market conditions. The current pro forma results rely upon assumptions for development costs, return thresholds, sales prices, rents, and land costs which are subject to change over time. This section describes how some of the most important market factors impact the viability of inclusionary policies.

Strategic Economics tested the sensitivity of the feasibility results by varying market factors that influence revenue, while holding development costs constant. For the ownership prototypes, Strategic Economics tested a range of market prices above and below current prices. For rental prototypes, Strategic Economics evaluated a range of scenarios that includes increases and decreases in market rents combined with variations in the market capitalization rates that determine the value of development.

The Townhome prototype could support any of the inclusionary requirements under current market conditions, but Scenarios B and C would become marginally infeasible with a twenty percent reduction in price. Figure 21 shows the feasibility of the Townhome prototype under various market scenarios, comparing a prototype with all market rate units to each of the inclusionary scenarios.

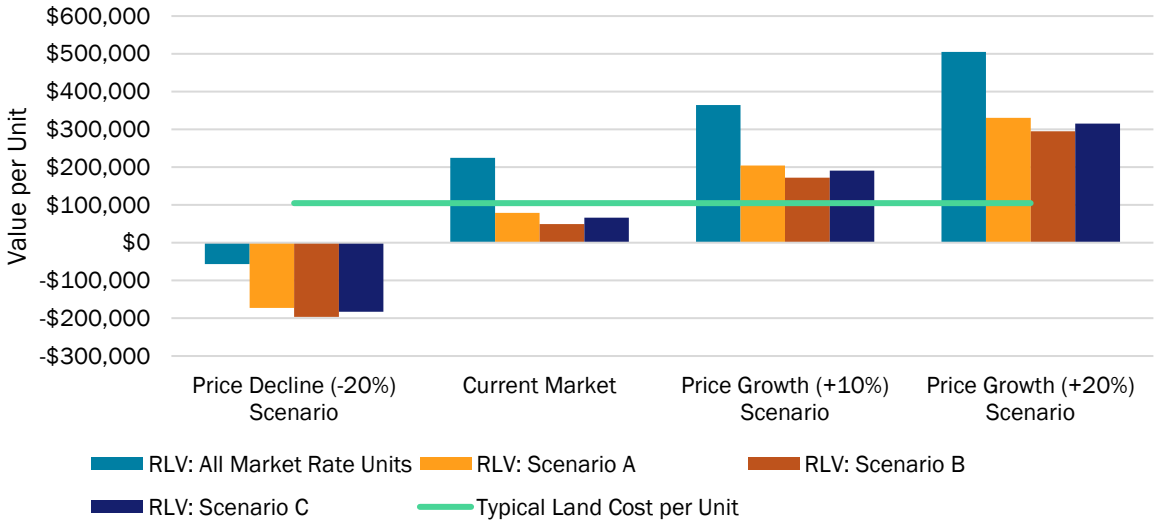
FIGURE 21: SENSITIVITY OF RESIDUAL LAND VALUE TO MARKET PRICE IN LOS ALTOS HILLS – TOWNHOMES



Sources: Strategic Economics, 2025; Town of Los Altos Hills, 2025; Developer Interviews, 2025; Redfin, 2025.
Note: Scenario A refers to a 15 percent moderate-income requirement (tested at 110% AMI). Scenario B refers to a 15 percent low-income requirement (tested at 70% AMI). Scenario C refers to a 15 percent requirement split between low-income and moderate-income.

The 5-Story Condo prototype could support all three inclusionary policy scenarios with minor increases in sales prices. This finding is illustrated in Figure 22. If the market turns out to support higher sales prices than assumed in the pro forma model, the inclusionary policy scenarios may be feasible for condo projects under current market conditions.

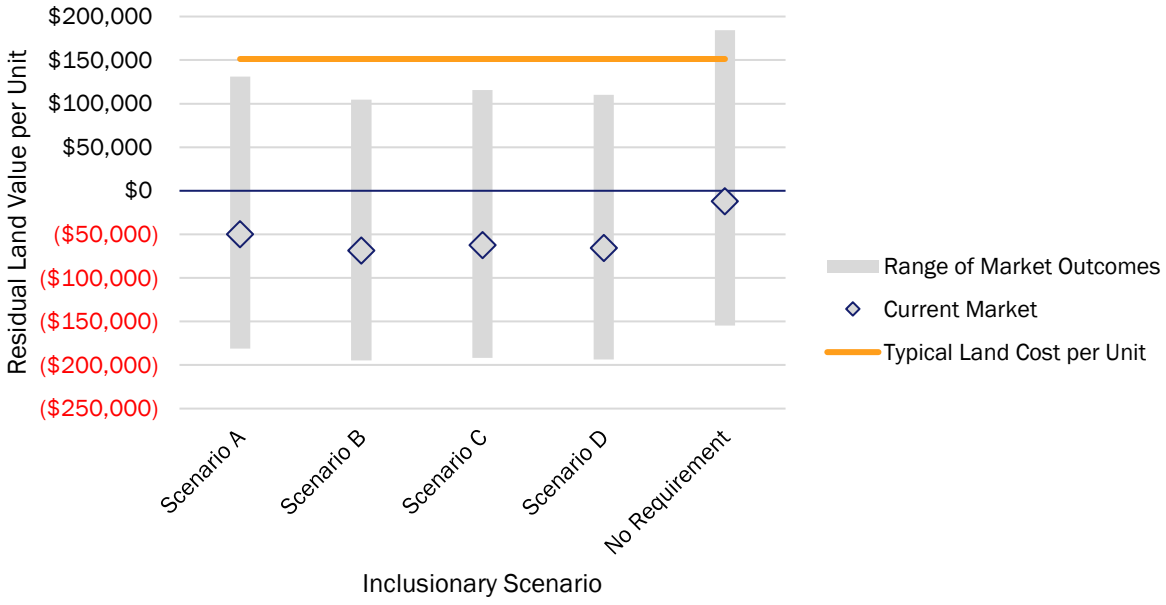
FIGURE 22: SENSITIVITY OF RESIDUAL LAND VALUE TO MARKET PRICE IN LOS ALTOS HILLS – 5-STORY CONDOS



Sources: Strategic Economics, 2025; Town of Los Altos Hills, 2025; Developer Interviews, 2025; Redfin, 2025.
Note: Scenario A refers to a 15 percent moderate-income requirement (tested at 110% AMI). Scenario B refers to a 15 percent low-income requirement (tested at 70% AMI). Scenario C refers to a 15 percent requirement split between low-income and moderate-income.

While inclusionary policies would have a modest impact on the financial feasibility outcomes of rental prototypes in Los Altos Hills, it is unlikely that most apartment projects will be feasible in the near future due to broader challenges. Figure 23 shows the range of likely market outcomes for Small Scale Apartments under each inclusionary scenario. In comparison, Figure 24 shows the range of likely market outcomes for 5-Story Apartments. These figures demonstrate that 5-Story Apartments are more likely to become feasible in the future than Small Scale Apartments—particularly if no inclusionary requirement is applied to these project types. However, multifamily rental projects of all kinds face high development costs and financing challenges currently, making it unlikely that either prototype would become feasible without significant changes in market conditions.

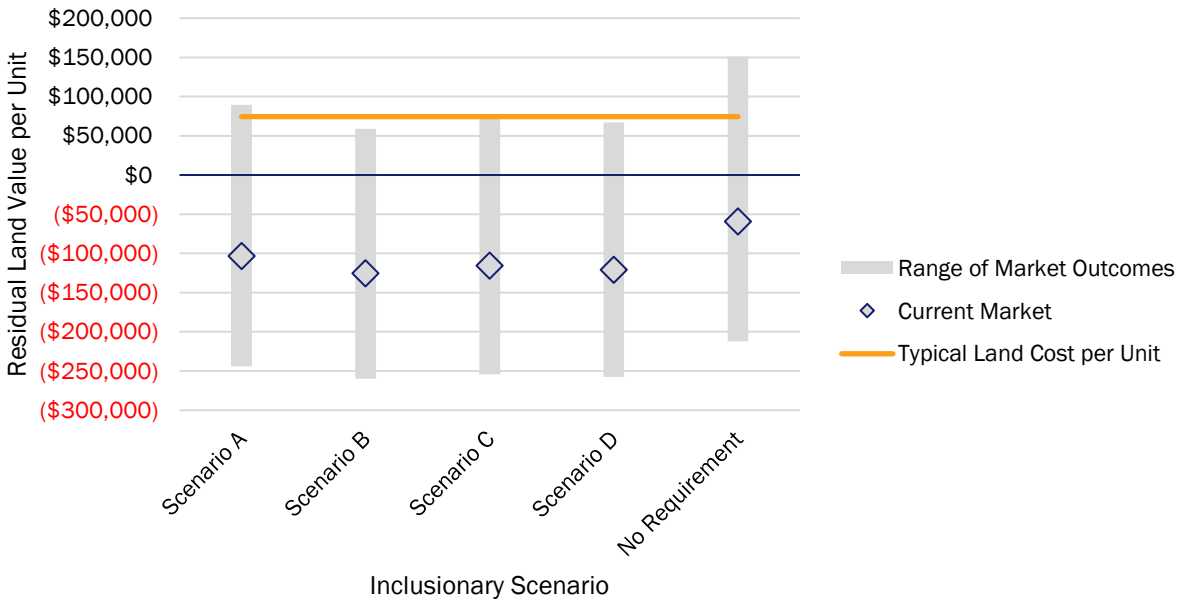
FIGURE 23: RESIDUAL LAND VALUE VS. LAND COSTS PER UNIT FOR SMALL SCALE RENTAL APARTMENTS LOS ALTOS HILLS, WITH CURRENT MARKET CONDITIONS VS. RANGE OF LIKELY MARKET OUTCOMES



Sources: Strategic Economics, 2025; CoStar, 2025; Developer Interviews, 2025; Town of Los Altos Hills, 2025; Santa Clara Housing Authority, 2025.
Note: Range of Market Outcomes refers to a range of "weak market" vs. "strong market" fluctuations from current market conditions, based on a ten percent change in in market rate rents and the typical range of cap rates observed in Santa Clara County over the past ten years. The high end of the range of market outcomes was based on a 3.75 percent cap rate and ten percent rent increase. The low end of the range of market outcomes was based on a 5.5 percent cap rate and a ten percent rent decrease.
Note:

- Scenario A refers to a five percent very low-income requirement (50% AMI) and a five percent low-income requirement (60% AMI).
- Scenario B refers to a 7.5 percent very low-income requirement (50% AMI) and a 7.5 percent low-income requirement (60% AMI).
- Scenario C refers to a five percent extremely low-income requirement (30% AMI) and a five percent very-low income requirement (50% AMI).
- Scenario D refers to a four percent extremely low-income requirement (30% AMI), a four percent very-low income requirement (50% AMI), and a four percent low-income requirement (60% AMI).

FIGURE 24: RESIDUAL LAND VALUE VS. LAND COSTS PER UNIT FOR 5-STORY RENTAL APARTMENTS IN LOS ALTOS HILLS, WITH CURRENT MARKET CONDITIONS VS. RANGE OF POSSIBLE MARKET OUTCOMES



Sources: Strategic Economics, 2025; CoStar, 2025; Developer Interviews, 2025; Town of Los Altos Hills, 2025; Santa Clara Housing Authority, 2025.
Note: Range of Market Outcomes refers to a range of "weak market" vs. "strong market" fluctuations from current market conditions, based on a ten percent change in in market rate rents and the typical range of cap rates observed in Santa Clara County over the past ten years. The high end of the range of market outcomes was based on a 3.75 percent cap rate and ten percent rent increase. The low end of the range of market outcomes was based on a 5.5 percent cap rate and a ten percent rent decrease.
Note:

- Scenario A refers to a five percent very low-income requirement (50% AMI) and a five percent low-income requirement (60% AMI).
- Scenario B refers to a 7.5 percent very low-income requirement (50% AMI) and a 7.5 percent low-income requirement (60% AMI).
- Scenario C refers to a five percent extremely low-income requirement (30% AMI) and a five percent very-low income requirement (50% AMI).
- Scenario D refers to a four percent extremely low-income requirement (30% AMI), a four percent very-low income requirement (50% AMI), and a four percent low-income requirement (60% AMI).

In-Lieu Fee Analysis

For each policy scenario, Strategic Economics calculated the in-lieu fee that would be equivalent to the revenue lost from meeting the onsite requirement for below market rate units. This approach used the *affordability gap,* the difference in revenue per square foot between a project with all market rate units and a project with the required affordable units. To calculate expected revenue from affordable units, Strategic Economics used the same "achieved AMI" assumptions as discussed in Figure 9; this approach avoids creating an in-lieu fee that is less expensive than the likely cost of providing on-site units. Per square foot in-lieu fees were defined using the net residential area of each prototype. The final in-lieu fees recommended for adoption will be closely coordinated with the recommended inclusionary policy (considering the total revenue impact of both the onsite percentage and income targets), with potential adjustments to incentivize the Town's preference for either onsite units or the collection of fee revenues.

Detailed in-lieu fee findings are summarized below.

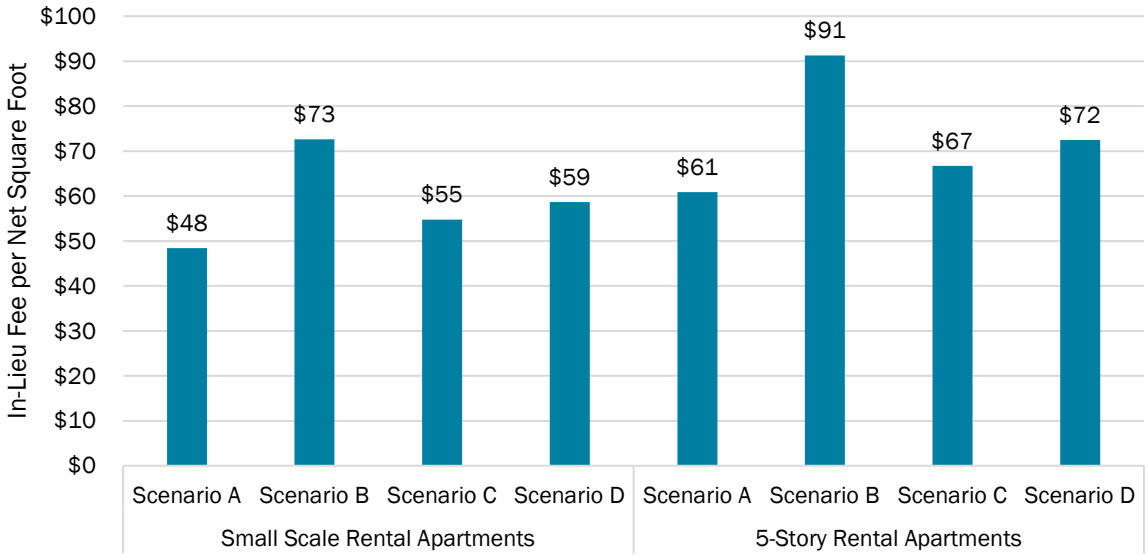
- The equivalent in-lieu fees for the ownership policy scenarios are as follows (see Figure 25):
  - Scenario A: $111 per square foot for townhomes or $121 per square foot for condos, for a policy that targeted moderate-income households;
  - Scenario B: $132 per square foot for townhomes or $146 per square foot for condos, for a policy that targeted low-income households; and
  - Scenario C: $119 per square foot for townhomes or $131 per square foot for condos, for a policy that targeted a mix of low- and moderate-income households.
- The equivalent in-lieu fees for the rental policy scenarios are as follows (see Figure 26):
  - Scenario A: $48 per square foot for Small Scale Apartments or $61 per square foot for 5-Story Apartments, for a ten percent requirement targeting a mix of very low- and low-income households;
  - Scenario B: $73 per square foot for Small Scale Apartments or $91 per square foot for 5-Story Apartments, for a 15 percent requirement targeting a mix of very low- and low-income households;
  - Scenario C: $55 per square foot for Small Scale Apartments or $67 per square foot for 5-Story Apartments, for a ten percent requirement targeting a mix of extremely low- and very low-income households; and
  - Scenario D: $59 per square foot for Small Scale Apartments or $72 per square foot for 5-Story Apartments, for a 12 percent requirement targeting a mix of extremely low-, very low-, and low-income households.

FIGURE 25: EQUIVALENT IN-LIEU FEE PER NET SQUARE FOOT CORRESPONDING TO REVENUE FOREGONE FROM INCLUSIONARY POLICY IN LOS ALTOS HILLS, BY SCENARIO – OWNERSHIP UNITS



Sources: Strategic Economics, 2025; Town of Los Altos Hills, 2025; HCD, 2025; Santa Clara County Housing Authority, 2025.
Note: Scenario A refers to a 15 percent moderate-income requirement (tested at 110% AMI). Scenario B refers to a 15 percent low-income requirement (tested at 70% AMI). Scenario C refers to a 15 percent requirement split between low-income and moderate-income.

FIGURE 26: EQUIVALENT IN-LIEU FEE PER NET SQUARE FOOT CORRESPONDING TO REVENUE FOREGONE FROM INCLUSIONARY POLICY IN LOS ALTOS HILLS, BY SCENARIO – RENTAL UNITS



Sources: Strategic Economics, 2025; Town of Los Altos Hills, 2025; HCD, 2025; Santa Clara County Housing Authority, 2025.
Note:

- Scenario A refers to a five percent very low-income requirement (50% AMI) and a five percent low-income requirement (60% AMI).
- Scenario B refers to a 7.5 percent very low-income requirement (50% AMI) and a 7.5 percent low-income requirement (60% AMI).
- Scenario C refers to a five percent extremely low-income requirement (30% AMI) and a five percent very-low income requirement (50% AMI).
- Scenario D refers to a four percent extremely low-income requirement (30% AMI), a four percent very-low income requirement (50% AMI), and a four percent low-income requirement (60% AMI).

III. Policy Considerations and Findings

This section reviews key considerations, in addition to financial feasibility, for developing inclusionary and in-lieu fee policies for Los Altos Hills. First, the section provides a summary of inclusionary policies for other peer jurisdictions in Santa Clara County. The section then outlines other key policy and legal considerations, before concluding with a summary of findings. Key considerations for implementing rules and guidelines for the chosen policy are in Appendix II.

INCLUSIONARY POLICIES IN NEIGHBORING JURISDICTIONS

Most peer jurisdictions require an onsite inclusionary percentage of 15 percent, with certain modifications tailored to smaller projects, larger projects, and/or ownership projects. Los Gatos, for example, uses a sliding scale that ranges from 10 to 20 percent onsite inclusionary depending on the size of the project. Cupertino has a 15 percent requirement for rental projects, but a higher percentage, 20 percent, for ownership projects. Like the other cities, Mountain View has a fifteen percent across-the-board requirement, except with an additional 10 percent requirement for above moderate households specifically for townhouses and rowhouses. Finally, Palo Alto has a 20 percent requirement for for-sale projects on more than five acres.

In peer cities, the inclusionary requirements for rental projects target a mix of income levels, from very low to moderate-income households. Whereas Santa Clara and Mountain View's inclusionary policies use a weighted average approach to ensure that affordable units target 100 percent AMI and 65 percent AMI, respectively, most other jurisdictions assign percentage requirements to individual income categories. Cupertino targets very low and low-income units; Los Gatos targets moderate-income units; and Sunnyvale targets a mix of very low and low-income units. Lastly, San Jose provides rental developers with a choice: they can either target extremely low-income households, or provide a mix of very low, low, and moderate-income units.

In their inclusionary requirements for ownership projects, all peer cities except Los Gatos and Mountain View target median income or moderate-income households. Most cities require a mix of median income (targeting up to 100 percent of AMI) and moderate-income (targeting up to 120 percent of AMI) units. However, Los Gatos requires five to ten percent of ownership units to be dedicated to low-income households—half of the Town's total inclusionary requirement. Mountain View's policy also differs from other peer cities, but specifically for townhomes and rowhouses. For these project types, Mountain View requires ten percent of units to be set aside for above moderate-income households, which its policy defines as up to 135 percent of AMI. This brings the City's total inclusionary requirement to 25 percent for these projects, but at a higher average AMI than other jurisdictions.

FIGURE 27: INCLUSIONARY REQUIREMENTS IN SANTA CLARA COUNTY JURISDICTIONS, AS OF 2025

Jurisdiction	Minimum Size for Inclusionary Requirement	Policy Categories	Required Share of Units	
			Rental	For-Sale
Cupertino	5 Units		9% Very Low 6% Low	10% Median 10% Moderate
Los Gatos	5 Units	5-19 Units	10% Moderate	5% Low 5% Moderate
		20-100 Units	10-20% Moderate	5-10% Low 5-10% Moderate
		100+ Units	20% Moderate	10% Low 10% Moderate
Mountain View	No Minimum	Townhouses & Rowhouses	15% (Avg. 65% AMI)	15% Moderate (Avg. 100% AMI) 10% Above Moderate (Avg. 135% AMI)
		All Other Developments	15% (Avg. 65% AMI)	15% (Avg. 100% AMI)
Palo Alto	3+ Units	Project on <5 acres	Impact Fee	10% Median 5% Moderate
		Project on >5 acres		20% (2/3 Median, 1/3 Moderate)
San Jose	10+ Units	Option 1	10% Extremely Low	15% Moderate
		Option 2	5% Very Low 5% Low 5% Moderate	15% Moderate
City of Santa Clara	3+ Units	<10 Units:	1 unit or in-lieu/impact fee	
		10+ Units	15% (Avg. 100% AMI)	15% (Avg. 100% AMI)
Sunnyvale	Rental: 3+ Units For-Sale: 7+ Units		5% Very Low 10% Low	15% Moderate

Sources: City of Cupertino, 2025; Town of Los Gatos, 2025; City of Mountain View, 2025; City of Palo Alto, 2025; City of San Jose, 2025; City of Santa Clara, 2025; City of Sunnyvale, 2025; Strategic Economics, 2025.
Note: some cities apply an impact fee to projects that do not meet the minimum size threshold for the inclusionary requirement.

OTHER POLICY CONSIDERATIONS

In addition to financial feasibility and peer cities' requirements, jurisdictions may wish to consider several policy considerations when tailoring inclusionary policies. These include conditions for HCD review; Metropolitan Transportation Commission requirements; and State Density Bonus Law, as described below:

- **Any local inclusionary policy on rental housing may be subject to review by the California Department of Housing and Community Development if it includes a greater than 15 percent inclusionary requirement for households at income levels of 80 percent of AMI or less.** Since 2017, the AB 1505 legislation (also known as the "Palmer fix") provided for a set of conditions that could trigger HCD review, including an elevated inclusionary requirement for very low- and

low-income households and failure to meet 75 percent of above moderate RHNA goals.[2] Inclusionary policies under review may need to perform a feasibility study demonstrating that "the ordinance does not unduly constrain the production of housing." The legislation does not apply to ownership housing.

- **The Metropolitan Transportation Commission (MTC) requires compliance with its Transit Oriented Communities (TOC) policy in transit station areas for jurisdictions to be eligible and/or competitive for certain regional funding sources.[3]** Compliance with the TOC policy requires adoption of at least two affordable housing production policies; one option for this requirement is to adopt an inclusionary policy that meets MTC's criteria. These criteria are as follows:
    - Rental Policy: must require least 15 percent of units to be affordable, with an average income of 80% of AMI or less.
    - Ownership Policy: must require least 15 percent of units to be affordable, with an average income of 120% of AMI or less.

- **The State Density Bonus Law (SDBL) allows multi-unit ownership and rental developments to build to a higher density than the maximum density allowed by zoning if affordable units are included in the project.** Any affordable units provided to gain a density bonus under the program also count towards local inclusionary requirements if the units are at or below the income level required by the local policy. Any "bonus" units enabled by the legislation do not have to be affordable. Because of this, SDBL projects commonly result in an overall project with a lower percentage of affordable units than the percentage in the local inclusionary policy. Example outcomes of the state density bonus program utilized in conjunction with a local inclusionary policy are illustrated in Appendix II: Example Policy Outcomes and Considerations for Implementation.

[2] From January 31st, 2023 through the end of 2024 (approximately one-quarter of Los Altos Hills' eight-year RHNA Cycle), the Town had met around 7 percent of its very low-income RHNA target; 17 percent of its low-income RHNA target; 57 percent of its moderate-income RHNA target; and 5 percent of its above moderate-income RHNA target.

[3] Los Altos Hills does not currently have any transit stations that qualify for this policy.

SUMMARY OF FINDINGS AND CONCLUSIONS

This section provides a summary of findings from the feasibility and inclusionary analyses along with conclusions that inform Los Altos Hills' decisions regarding an inclusionary policy.

Findings

- **Both ownership prototypes are currently feasible in Los Altos Hills under current market conditions.**
- **A 15 percent inclusionary requirement would substantially reduce project revenue for these prototypes, but would remain feasible for the Townhome prototype and be marginally infeasible for the 5-Story Condo Prototype.**
- **Based on current market conditions, Strategic Economics found that the Small Scale Rental Apartment prototype and 5-Story Rental Apartment prototype are not currently feasible in Los Altos Hills.**
- **While the tested inclusionary policy scenarios would have only a modest impact on apartment project revenues in the current market, it is unlikely that most apartment projects will be feasible in the near future due to broader challenges.** Market conditions, including development cost increases, financing conditions, and rent levels, represent the primary barrier to feasibility, both locally and at the regional scale.
- **The ability of ownership projects to support inclusionary policies could vary based on individual project characteristics and the specific market context in Los Altos Hills.** Although broader market trends support the development of compact ownership housing in the Los Altos Hills market, this type of development is still untested in this location. The format, density, and targeted market segment for townhome or condominium development could vary from the prototypes studied, with actual developments combining aspects of each prototype and/or producing a more premium product to optimize for the specific conditions in Los Altos Hills.

Conclusions

Under the policy scenarios tested, an inclusionary policy could be applied to townhome developments without significantly constraining new development, but Los Altos Hills should still be conservative in application of inclusionary policies to both condos and townhomes. This is the case for two reasons:

- **Because data informing prospective sales prices for townhomes and condos in Los Altos Hills is limited, actual sales prices are uncertain**. Strategic Economics estimated sales price assumptions for Townhomes and 5-Story Condos based on sales activity of comparable housing units in neighboring jurisdictions and by evaluating Los Altos Hills' market strength based on single-family home sales.

- **While a policy that includes low-income households is likely viable, developers report that it can sometimes be difficult to qualify low-income homebuyers, particularly if other monthly costs such as HOA dues and hazard insurance represent significant costs over time.** Therefore, the Town should monitor the implementation of any potential ownership policy targeted to

households that are below a moderate-income level to ensure that this policy is a practical tool for generating housing at lower income levels.

The Town should consider adopting an inclusionary policy for rental projects, while recognizing the policy would be unlikely to generate significant affordable units until fundamental changes in the market occur. This analysis examined inclusionary policy scenarios targeted to extremely low-, very low- and/or low-income households and found roughly similar impacts on development feasibility across the tested mixes of affordability levels and total inclusionary percentages. While current market rents are not yet high enough to spur development, Strategic Economics recommends the Town have its policy in place in advance of future changes in conditions that might support rental projects. The Town should consider re-evaluating the affordability levels in its policy if and when this occurs to ensure that its inclusionary policy is still targeting income levels that are most needed to meet the Town's RHNA goals.

Targeting an inclusionary policy to extremely low-income households may be difficult to implement. While policy Scenarios C and D for rental development include a requirement to provide units affordable to extremely low-income households (up to 30 percent of AMI), there are few precedents for including this income group in an inclusionary policy, and it could place significant burdens on development. Housing built for extremely low-income households is generally provided in dedicated developments that include supportive services, and developers report that it can be difficult to find households that qualify for units restricted to an extremely low-income in conventional multifamily housing. Recently, the City of San José experimented with including extremely low income units as one of a set of options for meeting its Inclusionary Housing Ordinance. City staff report this option was seldom if ever used.

If an inclusionary policy is adopted, the Town should also adopt an equivalent in-lieu fee. The in-lieu fee rate would be determined by the inclusionary policy for ownership versus rental development. It would be possible to differentiate fees for different product types (e.g., fee rates specific to townhome and condominium product types). However, the lack of market information suggests the fee be set at the average of fee found for the Townhome and Condo prototypes. Similarly, the Town should adopt an in-lieu fee for rental projects that is the average of the fees calculated for the rental prototypes.

Strategic Economics recommends the Town implement the in-lieu fee policy in one of the following ways:

- **Allow payment of the fee for smaller scale projects and when the policy results in fractional units.** Allowing in-lieu fees for smaller-scale projects can provide flexibility for projects for when meeting the policy with onsite units is infeasible. For all other projects, allowing an in-lieu fee only for fractional units would help ensure that Los Altos Hills produces BMR units, without requiring the Town to manage fee revenue to create them.
- **Limit payment of the in-lieu fee to fractional units on small-scale projects.** The inclusionary policies in some jurisdictions do not allow payment of the in-lieu fee above a certain unit threshold, instead requiring developers to round up fractional units and provide an additional BMR unit. However, this approach is not feasible for very small scale developments. State law requires jurisdictions to include some alternative means of compliance within an inclusionary policy—such as in-lieu fees, land dedication or provision of off-site units. Emphasizing on-site units, land dedication, or off-site units—as opposed to in lieu fees for large-scale projects—could help Los Altos Hills achieve production of BMR units in the short-term.

Monitor the residential market periodically and adjust the inclusionary policy as appropriate. As shown in the Policy and Market Scenarios section, the feasibility of development, and its ability to accommodate an inclusionary policy, may depend on a variety of factors. Indicators of a changing market include changes in the pace of development applications, trends in sales values and rental rates, a significant change in the California Construction Cost index, or changes in interest rates. Jurisdictions should update the inclusionary feasibility study periodically to ensure the policy is well-suited to the current market environment.

Appendix I: Financial Feasibility Assumptions

Cost Assumptions

FIGURE 28: DETAILED COST ASSUMPTIONS FOR OWNERSHIP PROTOTYPES IN LOS ALTOS HILLS

	Unit of measure	Townhomes	5-Story Condos
Land Costs	per square foot	$125	$125
Hard Costs			
Demolition and Site Work	per sq. ft. land	$40	$40
Building Area Construction			
Residential - Type V	per gross sq. ft.	$275	$400
Parking	per space		
Structured/Podium	per space		$50,000
Underground	per space		$80,000
Tuck-under	per space		
Soft Costs			
Arch, Eng & Consulting	% of hard costs	5.0%	5.0%
Taxes, Insurance, Legal & Accounting	% of hard costs	10.0%	10.0%
Other Soft Costs	% of hard costs	3.0%	3.0%
Total Soft Costs (Excluding Fees)	**% of hard costs**	**18.0%**	**18.0%**
Municipal Fees	Shown in Separate Table		
Contingency	% of hard + soft costs	5.0%	5.0%
Financing			
Amount Financed (Loan-to-cost)	% of hard + soft costs	55%	55%
Average outstanding balance	% of Amt Financed	55%	55%
Construction Loan Fee	% of Amt Financed	1.0%	1.0%
Construction Interest (annual)		8.0%	8.0%
Term	Months	18	28
Developer Return			
Target Developer Return-on-cost	% of total dev costs	15.0%	15.0%

Sources: Strategic Economics, 2025; Developer Interviews, 2025; Redfin, 2025; CoStar, 2025; Federal Reserve Bank of New York, 2025.

FIGURE 29: DETAILED COST ASSUMPTIONS FOR RENTAL PROTOTYPES IN LOS ALTOS HILLS

	Unit of measure	Small Scale Rental Apartments	5-Story Rental Apartments
Land Costs			
Land Costs	per square foot	$125	$125
Hard Costs			
Demolition and Site Work	per sq. ft. land	$40	$40
Building Area Construction			
Residential - Type V	per gross sq. ft.	$290	$310
Parking	per space		
Surface	per space	$10,000	
Structured/Podium	per space		$50,000
Underground	per space		$80,000
Tuck-under	per space	$10,000	
Soft Costs			
Arch, Eng & Consulting	% of hard costs	5.0%	5.0%
Taxes, Insurance, Legal & Accounting	% of hard costs	5.0%	5.0%
Other Soft Costs	% of hard costs	3.0%	3.0%
Total Soft Costs (Excluding Fees)	**% of hard costs**	**13.0%**	**13.0%**
Municipal Fees	Shown in Separate Table		
Contingency	% of hard + soft costs	5.0%	5.0%
Financing			
Amount Financed (Loan-to-cost)	% of hard + soft costs	55%	55%
Average outstanding balance	% of Amt Financed	55%	55%
Construction Loan Fee	% of Amt Financed	1.0%	1.0%
Construction Interest (annual)		8.0%	8.0%
Term	Months	24	28
Developer Share			
Developer Overhead Fee	% of hard + soft costs	3.0%	3.0%
Target Developer Yield-on-Cost	% of total dev costs	5.5%	5.5%

Sources: Strategic Economics, 2025; Developer Interviews, 2025; Redfin, 2025; CoStar, 2025; Federal Reserve Bank of New York, 2025.

FIGURE 30: LOS ALTOS HILLS MUNICIPAL FEE ESTIMATES - OWNERSHIP AND RENTAL PROTOTYPES

Prototype	Townhomes	Small Scale Rental Apartments	5-Story Condos	5-Story Rental Apartments
Permits & Fees				
Building Permit	$10,641	$22,386	$202,520	$239,204
Plan Check	$6,917	$14,551	$131,638	$155,483
Sewer & Water	$11,236	$11,236	$337,080	$606,744
Other	$37,586	$77,969	$708,221	$837,013
Total	**$66,381**	**$126,142**	**$1,379,459**	**$1,838,444**
Impact Fees				
Parks	$54,450	$54,450	$1,317,690	$1,470,150
Schools	$9,460	$17,200	$174,924	$208,626
Other	$10,649	$10,649	$319,470	$575,046
Total	**$74,559**	**$82,299**	**$1,812,084**	**$2,253,822**

Sources: Town of Los Altos Hills, 2025; Strategic Economics, 2025.

Prototype and Revenue Assumptions

FIGURE 31: MARKET RATE OWNERSHIP PRO FORMA REVENUE ASSUMPTIONS, LOST ALTOS HILLS

	Unit of measure	Townhomes		5-Story Condos	
Unit Size					
1-BD	sq. ft.	-		900	
2-BD	sq. ft.	1,400		1,300	
3-BD	sq. ft.	1,700		1,600	
4-BD	sq. ft.	2,000		1,900	
Average Unit Size	sq. ft.	1,710		1,382	
Unit Sales Value		Price	Share	Price	Share
1-BD	per unit	-	0%	1,200,000	10%
2-BD	per unit	1,685,000	23%	1,610,000	55%
3-BD	per unit	1,890,000	50%	1,950,000	30%
4-BD	per unit	2,035,000	27%	2,130,000	5%
Average Sales Value					
Per unit	**per unit**	**$1,880,833**		**$1698,901**	
Marketing Expense	% of Sales Price	5%		5%	
Net Revenue		$1,786,792		$1,613,956	

Sources: Strategic Economics, 2025; Developer Interviews, 2025; Redfin, 2025.

FIGURE 32: MARKET RATE RENT PER UNIT ASSUMPTIONS, LOS ALTOS HILLS

	Unit of measure	Small Scale Rental Apartments	5-Story Rental Apartments
Residential			
Unit Size			
Studio	square feet	550	550
1-BD	square feet	750	750
2-BD	square feet	1,150	1,100
3-BD	square feet	1,400	1,300
Average Unit Size	**square feet**	**955**	**891**
Unit Rents			
Studio	per unit	$3,200	$3,400
1-BD	per unit	$3,500	$3,800
2-BD	per unit	$4,500	$5,000
3-BD	per unit	$5,000	$6,000
Average	**per unit**	**$4,019**	**$4,310**
Other Revenue Assumptions			
Vacancy (Market Rate Units)	% of Units	5%	5%
Vacancy (Below Market Rate Units)	% of BMR Units	5.0%	5.0%
Operating Expense	% of Revenue	30%	30%
Capitalization Rate		4.50%	4.50%

Sources: CoStar, 2025; Apartment Websites, 2025; Strategic Economics, 2025.

FIGURE 33: AREA MEDIAN INCOME AND INCOME LIMITS FOR SANTA CLARA COUNTY, 2025

People per Household	**1**	**2**	**3**	**4**	**5**
Bedroom Count	**Studio**	**1-BD**	**2-BD**	**3-BD**	**4-BD**
Extremely Low	$42,200	$48,200	$54,250	$60,250	$65,100
Very Low-Income	$70,350	$80,400	$90,450	$100,450	$108,500
Low-Income	$111,700	$127,650	$143,600	$159,550	$172,350
Median-Income	**$136,650**	**$156,150**	**$175,700**	**$195,200**	**$210,800**
Moderate-Income	$164,000	$187,400	$210,850	$234,250	$253,000

Sources: California HCD, 2025; Strategic Economics, 2025.
Note: Extremely Low-Income refers to up to 30% of AMI; Very Low-Income refers to up to 50% of AMI; Low-Income refers to up to 80% of AMI, and Moderate-Income refers to up to 120% of AMI.

FIGURE 34: MAXIMUM SALES PRICE PER UNIT AND AVERAGE BMR PRICE FOR TOWNHOME PROTOTYPE IN SANTA CLARA COUNTY, BY BMR INCOME LEVEL, 2025

	Unit Mix	Low (70% Achieved AMI)	Median (90% Achieved AMI)	Moderate (110% Achieved AMI)
Bedroom Count				
One Bedroom	0%			
Two Bedroom	23%	$282,037	$396,748	$511,459
Three Bedroom	50%	$301,139	$428,581	$556,023
Four Bedroom	27%	$310,808	$448,435	$586,061
Average Price per BMR Unit		**$299,260**	**$426,448**	**$553,635**

Sources: Strategic Economics, 2025; Santa Clara County Housing Authority, 2025; CA HCD, 2025; Redfin, 2025; Freddie Mac, 2025; Alta Housing, 2025; Ownwell, 2025.
Notes: Accounts for share of income spent on housing costs (30%), current interest rates, monthly utility costs, taxes, insurance, and HOA costs. Achieved sales price reflects likely average for units in each income category in an inclusionary project.

FIGURE 35: MAXIMUM SALES PRICE PER UNIT AND AVERAGE BMR PRICE FOR 5-STORY CONDOS IN SANTA CLARA COUNTY, BY INCOME LEVEL, 2025

	Unit Mix	Low (70% Achieved AMI)	Median (90% Achieved AMI)	Moderate (110% Achieved AMI)
Bedroom Count				
1-BD	10%	$268,179	$370,126	$472,073
2-BD	55%	$279,697	$394,408	$509,119
3-BD	30%	$297,366	$424,808	$552,250
4-BD	5%	$306,253	$443,880	$581,507
Average Price per BMR Unit		**$285,259**	**$403,744**	**$522,229**

Sources: Strategic Economics, 2025; Santa Clara County Housing Authority, 2025; CA HCD, 2025; Redfin, 2025; Freddie Mac, 2025; Alta Housing, 2025; Ownwell, 2025.
Notes: Accounts for share of income spent on housing costs (30%), current interest rates, monthly utility costs, taxes, insurance, and HOA costs. Achieved sales price reflects likely average for units in each income category in an inclusionary project.

FIGURE 36: BELOW MARKET RATE RENTAL REVENUE ASSUMPTIONS IN SANTA CLARA COUNTY, 2025

	Small Scale Rental Apartments	5-Story Rental Apartments
Share of Units by Bedroom Count[1]		
Studio	9%	5%
1-BD	41%	55%
2-BD	41%	35%
3-BD	9%	5%
Achieved Monthly Rent per Unit[2]		
50% AMI (Very Low)	$2,018	$1,997
60% AMI (Low)	$2,371	$2,346
90% AMI (Median)	$3,616	$3,576
110% AMI (Moderate)	$4,445	$4,395
Monthly Operating Expenses per Unit[3]	$1,206	$1,293

Sources: Strategic Economics, 2025; Santa Clara County Housing Authority, 2025; CA HCD, 2025

Notes:

1. Reflects distribution of units in prototype.
2. Based on California HCD's 2025 table of median incomes by household size for Santa Clara County; Santa Clara County Housing Authority's utility allowances for multifamily units; and an assumption of no more than 30 percent of income spent on housing costs. Achieved rent reflects likely average for units in each income category in an inclusionary project.
3. Operating expenses per unit based on the average operating expense per unit of a market rate unit in each prototype, based on 30 percent of average market rate rent for each unit.

Appendix II: Example Policy Outcomes and Considerations for Implementation

This Appendix illustrates how the policy scenarios analyzed in Section II might be implemented using hypothetical development examples for ownership and rental housing. The examples are intended to guide the Town's formulation of the policy as well as its guidelines for compliance. For each inclusionary policy scenario, Strategic Economics provided several possible options for compliance with details about the resulting mix of below market rate units produced and in-lieu fees generated. The first set of examples assume the project does not use the SDBL. Following that, Strategic Economics also included example outcomes if developers do utilize the SDBL under each inclusionary policy scenario.

Policy Outcomes Assuming No State Density Bonus

The examples below show how inclusionary units and in-lieu fees could vary depending on the rules and guidelines the Town implements for policy compliance. Figure 37 shows some example outcomes for the tested policy scenarios for an ownership project, and Figure 38 shows the same for a rental project. Possible options for compliance are described below:

- **Option 1** shows the outcome if the project complies with the policy by only providing onsite units and paying no fee. When applying the onsite inclusionary percentage to the project, policy guidelines for this option should address the case when the calculation result includes fractional units. In the example in, when the 15 percent inclusionary policy in Scenario A is applied to a project of 90 units, the calculated result is 13.5 units. In these cases, an inclusionary policy would typically round up the inclusionary requirement to the next whole number, or 14 inclusionary units in this example.
- **Option 2** shows the outcome if the project complies with the policy without rounding, by providing only the whole number of units that result from the inclusionary percentage and paying an in-lieu fee on any fractional units. In the same example, the applicant would provide 13 inclusionary units and pay the in-lieu fee on the remaining 0.5 units.
- **Option 3** shows the outcome if the project complies with the policy only through in-lieu fees and no onsite units. In this instance, the in-lieu fee is based on the calculated 13.5 inclusionary units.
- Although not shown in the figure, jurisdictions may allow projects to meet the obligation with any preferred mix of units or in-lieu fees as chosen by the applicant.

If Los Altos Hills prefers onsite units to fee revenues, the Town may restrict the means of compliance to Option 1 as-of-right. Strategic Economics recommends this approach particularly if the anticipated fee revenue generated from the other options is unlikely to be sufficient to leverage for affordable housing development in the near term. The examples in Figure 37 and Figure 38 show that a 90-unit development may yield between zero and $102,000 in fees if only charged on fractional units (Option 2). Complying with the policy with only fees (Option 3) might yield between $440,000 and $3 million in revenues for a 90-unit project.

If Los Altos Hills pursues a policy preference for onsite units, Strategic Economics recommends the Town also provide allowances for the payment of fees or other means of compliance for smaller projects or projects with special circumstances. If the Town's policy applies to smaller projects of fewer than 10 to 20 units, rounding up fractional units in the policy may place a significant financial burden on development. Most jurisdictions that apply an inclusionary requirement to these smaller projects allow the payment of an in-lieu fee on fractional units if the total number of units in the project falls below a certain threshold (see the analysis of neighboring jurisdictions' policies in Figure 27). In addition, some development projects have special circumstances that might mean meeting the policy with onsite units is suboptimal. The Town could establish guidelines for alternative means of compliance, such as providing offsite units or dedicating land for affordable housing, either as-of-right or with a discretionary process.

Once the total onsite unit requirement is established, the Town should set guidelines for distributing these units to the income groups included in the policy and the unit types in the development. For example, in Figure 37, Scenario C, Option 2, the inclusionary requirement includes 13 onsite units, to be split evenly between low-income and moderate-income units, or 7.5 units for each income level. When this calculation results in fractional units, a common approach is to allocate the units in such a way that lower income groups are given preference over higher income groups. In this example, the requirement for 13 units is satisfied by providing seven low-income units and six moderate-income units. Similar guidelines should be in place for distributing units by unit type.

FIGURE 37: EXAMPLE POLICY OUTCOMES BY SCENARIO FOR OWNERSHIP

	Scenario A	Scenario B	Scenario C
Inclusionary Policy			
Total Percentage Requirement	15%	15%	15%
Extremely Low-Income	--	--	--
Very Low-Income	--	--	--
Low-Income	--	15%	7.5%
Moderate-Income	15%	--	7.5%
Equivalent In-lieu Fee - Townhomes	$111	$132	$119
Equivalent In-lieu Fee - Condos	$121	$146	$131
Options for Compliance for an Example Development			
Example: Townhome development consisting of 90 Units totaling 153,900 residential square feet (1,710 s.f. per unit)			
Total Units in Development	90	90	90
Total Units * Total Percentage Requirement	13.5	13.5	13.5
Option 1: Provide only onsite units			
Total Inclusionary Units (rounded up)	14	14	14
Extremely Low-Income	--	--	--
Very Low-Income	--	--	--
Low-Income	--	14	7
Moderate-Income	14	--	7
In-lieu Fee	*no fee*	*no fee*	*no fee*
Option 2: Provide onsite units and pay a fee on remaining fractional units			
Total Inclusionary Units (rounded down)	13	13	13
Extremely Low-Income	--	--	--
Very Low-Income	--	--	--
Low-Income	--	13	7
Moderate-Income	13	--	6
In-Lieu Fee	*$94,905*	*$112,860*	*$101,745*
In-lieu Fee Calculation:			
Units Charged In-lieu Fee [a]	0.5	0.5	0.5
Average Unit s.f. in Development [b]	1,710	1,710	1,710
Number of s.f. subject to fee [c = a * b]	855	855	855
In-lieu Fee per s.f. - Townhome [d]	$111	$132	$119
*Total In-lieu Fee [c * d]*	*$94,905*	*$112,860*	*$101,745*
Option 3: Pay in-lieu fee only			
Total Inclusionary Units	*none*	*none*	*none*
In-Lieu Fee	*$2,562,435*	*$3,047,220*	*$2,747,115*
In-lieu Fee Calculation:			
Units Charged In-lieu Fee [a]	13.5	13.5	13.5
Average Unit s.f. in Development [b]	1,710	1,710	1,710
Number of s.f. subject to fee [c = a * b]	23,085	23,085	23,085
In-lieu Fee per s.f. - Townhome [d]	$111	$132	$119
*Total In-lieu Fee [c * d]*	*$2,562,435*	*$3,047,220*	*$2,747,115*

Source: Strategic Economics, 2026.

FIGURE 38: EXAMPLE POLICY OUTCOMES BY SCENARIO FOR RENTAL

	Scenario A	Scenario B	Scenario C	Scenario D
Inclusionary Requirement				
Total Percentage Requirement	10%	15%	10%	12%
Extremely Low-Income	--	--	5%	4%
Very Low-Income	5%	7.5%	5%	4%
Low-Income	5%	7.5%	--	4%
Moderate-Income	--	--	--	--
Equivalent In-lieu Fee - Rental Apartments[1]	$55	$82	$61	$66
Options for Compliance for an Example Development				
Example: Rental housing development consisting of 90 Units totaling 81,000 net rentable square feet (900 s.f. per unit)				
Total Units in Development	90	90	90	90
Total Units * Total Percentage Requirement	9.0	13.5	9.0	10.8
Option 1: Provide only onsite units				
Total Inclusionary Units (rounded up)	9	14	9	11
Extremely Low-Income	--	--	5	4
Very Low-Income	5	7	4	4
Low-Income	4	7	--	3
Moderate-Income	--	--	--	--
In-lieu Fee	*no fee*	*no fee*	*no fee*	*no fee*
Option 2: Provide onsite units and pay a fee on remaining fractional units				
Total Inclusionary Units (rounded down)	*Because there are no fractional units, this option is the same as Option 1.*	13	*Because there are no fractional units, this option is the same as Option 1.*	10
Extremely Low-Income		--		4
Very Low-Income		7		3
Low-Income		6		3
Moderate-Income		--		--
In-Lieu Fee		*$36,900*		*$47,160*
In-lieu Fee Calculation:				
Units Charged In-lieu Fee [a]		0.5		0.8
Average Unit s.f. in Development [b]		900		900
Number of s.f. subject to fee [c = a * b]		450		720
In-lieu Fee per s.f. - Rental Apartments [d]		$82		$66
*Total In-lieu Fee [c * d]*		*$36,900*		*$47,160*
Option 3: Pay in-lieu fee only				
Total Inclusionary Units	*none*	*none*	*none*	*none*
In-lieu Fee	$441,450	$996,300	$494,100	$636,660
In-lieu Fee Calculation:				
Units Charged In-lieu Fee [a]	9.0	13.5	9.0	10.8
Average Unit s.f. in Development [b]	900	900	900	900
Number of s.f. subject to fee [c = a * b]	8,100	12,150	8,100	9,720
In-lieu Fee per s.f. - Rental Apartments [d]	$55	$82	$61	$66
*Total In-lieu Fee [c * d]*	*$441,450*	*$996,300*	*$494,100*	*$636,660*

1. In-lieu fee amounts are the average of the in-lieu fees calculated for the two rental prototypes in the previous section.
Source: Strategic Economics, 2026.

Policy Outcomes with the State Density Bonus Law

In developing an inclusionary policy, Los Altos Hills should anticipate how residential developments might utilize the SDBL. Figure 39 shows a partial schedule of some commonly utilized density bonus allowances in the program. For example, providing 15 percent of units affordable to very low-income households triggers a 50% density bonus; providing 15 percent low-income units triggers a 27.5% bonus; and providing 15 percent moderate-income units (only applicable to ownership projects) triggers a 10 percent bonus. In addition, recent changes to state law have expanded opportunities for developments to utilize this bonus. With the passage of AB 1287 in 2024, the State created a "stackable" density bonus, allowing for market rate projects to achieve density bonuses of up to 100 percent by providing the maximum percentage of affordable units in multiple categories. Because meeting the SDBL criteria also qualifies developments for zoning incentives, concessions, and potential waivers of development standards, in addition to bonus units, some projects may utilize the program for these incentives without taking advantage of some or all of the bonus density.

FIGURE 39: DENSITY BONUS AMOUNT TRIGGERED BY PROVISION OF AFFORDABLE UNITS, BY INCOME LEVEL AND SHARE OF UNITS IN INCOME CATEGORY

	Amount of Density Bonus Triggered		
	Very Low-Income Units	Low-Income	Moderate-Income
5% of Units	20% Density Bonus	None	None
10% of Units	32.5% Density Bonus	20% Density Bonus	5% Density Bonus[1]
15% of Units	50% Density Bonus	27.5% Density Bonus	10% Density Bonus[1]

Sources: Meyers Nave, 2023; Strategic Economics, 2025.
Notes:
1. Applies only to ownership units

Targeting an inclusionary policy to lower-income groups could result in higher density developments and additional waivers and concessions from zoning standards in projects that utilize the state density bonus program. Figure 40 and Figure 41 show some possible outcomes if a project with maximum zoned capacity of 90 units met each inclusionary policy scenario while also taking advantage of the SDBL. In these examples, the 90-unit project allowed by zoned is considered the "base project" to which the inclusionary policy applies. Ownership developments that meet the inclusionary policy scenarios for the base project could have their allowable density increase by 10 percent for Scenario A (targeting moderate-income households) and Scenario C (targeting a mix of moderate- and low-income households). Meeting the inclusionary policy in Scenario B, which targets all low-income households, would qualify a project of a higher tier of incentives, with a density bonus of 27.5 percent. Rental developments (Figure 41) exhibit a similar pattern with a density bonus of up to 32.5 percent in Scenario C.

Developments that voluntarily provide affordable units in excess of what is required by the inclusionary policy could qualify for a higher tier of bonus density and other incentives and concessions. Figure 40 and Figure 41 illustrate development outcomes when projects meet the minimum required by each inclusionary policy scenario. However, some developments may seek a higher level of incentives from the SDBL, leading to the production of additional market rate and affordable units.

FIGURE 40: EXAMPLE POLICY OUTCOMES ASSUMING UTILIZATION OF THE STATE DENSITY BONUS LAW BY SCENARIO FOR OWNERSHIP

Example: Townhome development with maximum of 90 units allowed by local zoning

	Scenario A	Scenario B	Scenario C
Option 1: round up to whole units (from Figure X)			
Total Inclusionary Units (rounded up)	14	14	14
Extremely Low-Income	--	--	--
Very Low-Income	--	--	--
Low-Income	--	14	7
Moderate-Income	14	--	7
Effective Percentage Affordable on Base Project	15.6%	15.6%	15.6%
Extremely Low-Income	--	--	--
Very Low-Income	--	--	--
Low-Income	--	15.6%	7.8%
Moderate-Income	15.6%	--	7.8%
Density Bonus Triggered:	**10%**	**27.5%**	**10%**
Unit Calculations for Projects with a Density Bonus			
Number of Units in the Base Project	90	90	90
Density Bonus Percent	10%	27.5%	10%
Density Bonus Units (rounded up)	9	25	9
Total Project Units, including Bonus Units	**99**	**115**	**99**
Total Inclusionary Units	14	14	14
Net Affordable Percentage	14.1%	12.2%	14.1%

Source: Strategic Economics, 2026.

FIGURE 41: EXAMPLE POLICY OUTCOMES ASSUMING UTILIZATION OF THE STATE DENSITY BONUS LAW BY SCENARIO FOR RENTAL

Example: Rental Apartment development with maximum of 90 units allowed by local zoning

	Scenario A	Scenario B	Scenario C	Scenario D
Option 1				
Total Inclusionary Units (rounded up)	9	14	9	11
Extremely Low-Income	--	--	5	4
Very Low-Income	5	7	4	4
Low-Income	4	7	--	3
Moderate-Income	--	--	--	--
Effective Percentage Affordable on Base Project	10.0%	15.6%	10.0%	12.2%
Extremely Low-Income	--	--	5.6%	4.4%
Very Low-Income	5.6%	7.8%	4.4%	4.4%
Low-Income	4.4%	7.8%	--	3.3%
Moderate-Income	--	--	--	--
Density Bonus Triggered:	**20%**	**27.5%**	**32.5%**	**27.50%**
Unit Calculations for Projects with a Density Bonus				
Number of Units in the Base Project	90	90	90	90
Density Bonus Percent	20.0%	27.5%	32.5%	27.5%
Density Bonus Units (rounded up)	18	25	30	25
Total Project Units, including Bonus Units	**108**	**115**	**120**	**115**
Total Inclusionary Units	9	14	9	11
Net Affordable Percentage	8.3%	12.2%	7.5%	9.6%

Source: Strategic Economics, 2026.

ORDINANCE NO. XXX

AN ORDINANCE OF THE TOWN OF LOS ALTOS HILLS AMENDING TITLE 10 (ZONING AND SITE DEVELOPMENT) OF THE LOS ALTOS HILLS MUNICIPAL CODE TO ADOPT AN INCLUSIONARY HOUSING ORDINANCE IN ACCORDANCE WITH HOUSING ELEMENT PROGRAM A-6

WHEREAS, California Housing Element Law (Gov. Code §65580 et seq.) requires housing elements to assess housing needs, identify inventory of resources, and analyze potential constraints relevant to meeting a jurisdiction's Regional Housing Need Allocation (RHNA) obligation and for preserving, improving, and developing housing. This includes an analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, and inclusion of goals, programs and policies to promote and incentivize housing opportunities; and

WHEREAS, the adopted and state-certified 2023-2031 Housing Element ("Housing Element") of the Town of Los Altos Hills ("Town") contains numerous goals, policies and programs to meet its RHNA obligations, including an inventory of sites in the Town suitable to accommodate housing units at various income levels under RHNA, programs to rezone such sites to multi-family zoning districts to accommodate RHNA units and to ensure that parcels would be developed at appropriate minimum densities, and to streamline residential development projects and promote housing opportunities and mobility; and

WHEREAS, Program A-6 of the Housing Element states that the Town shall conduct an inclusionary zoning feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Upon a demonstration of feasibility, the Town will develop and amend its Zoning Ordinance to establish inclusionary housing requirements so that new developments reserve up to 15 percent of the total units for lower- and moderate-income households; and

WHEREAS, the Town participated in a multi-jurisdictional feasibility analysis process through the Santa Clara County Planning Collaborative, and subsequently retained Strategic Economics to prepare a Residential Feasibility Study and Inclusionary Housing Analysis ("Feasibility Study") to evaluate market conditions, economic trends, and financial feasibility of ownership and rental housing types in Los Altos Hills, and to assess how various inclusionary housing requirements could affect future development; and

WHEREAS, scenarios presented in the draft Feasibility Study were presented to the Planning Commission during a duly noticed study session on April 2, 2026, and June 2, 2026, and to the City Council during a separate duly noticed study session on April 16, 2026, for feedback and direction. At all three meetings, the Planning Commission and City Council received written and oral public comments, and provided various policy directions; and

WHEREAS, based on the final Feasibility Study, included with the accompanying April 16, 2026, staff report to the City Council, and feedback received during the above-mentioned study sessions, the Town has prepared this Ordinance amending Title 10 of the Los Altos Hills Municipal Code to adopt an Inclusionary Housing Ordinance that implements Program A-6 (the "Ordinance"), consistent with the Housing Element and state housing laws; and

WHEREAS, inclusionary housing programs are a recognized and effective method of increasing the supply of affordable housing while integrating affordable units within market-rate developments. Requiring qualifying residential developments to provide affordable housing or approved alternatives advances important public purposes, including reducing economic segregation, promoting housing opportunity, and implementing the Housing Element; and

WHEREAS, the Ordinance does not establish a residential impact fee or development impact fee within the meaning of the Mitigation Fee Act (Government Code section 66000 et seq.); and

WHEREAS, under the California Environmental Quality Act ("CEQA"), CEQA only applies to projects which have the potential for causing a significant effect on the environment. CEQA Guidelines section 15061(b)(3) provides that CEQA does not apply to activities that would not have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, on _____, 2026, the Los Altos Hills Planning Commission held a public hearing to consider a recommendation to the Los Altos Hills City Council regarding the proposed Ordinance. At the public hearing, the Planning Commission reviewed and carefully considered all testimony, comments, and evidence presented in the record and during the hearing; and

WHEREAS, at its June 25, 2026, meeting, the Planning Commission by Resolution No. _____, recommended the City Council adopt the Ordinance; and

WHEREAS, on _____, 2026, the Los Altos Hills City Council held a public hearing to consider proposed Ordinance and the Planning Commission recommendation. At the public hearing, the City Council reviewed and carefully considered the proposed Ordinance, and all related testimony and evidence presented in the record and during the hearing. All interested parties were provided with an opportunity to participate and be heard.

NOW, THEREFORE, the City Council of the Town of Los Altos Hills does hereby ordain as follows:

SECTION I. FINDINGS.

Based on the entirety of the record before it, which includes, without limitation, the California Environmental Quality Act, Public Resources Code §21000, et seq. and the CEQA Guidelines, 14 California Code of Regulations §15000, et seq. (collectively, "CEQA"); the Los Altos Hills General Plan and Housing Element; the Los Altos Hills Municipal Code; all reports, minutes, and public testimony submitted as part of the Planning Commission's _____, 2026 public hearing and the City Council's _____, 2026 public hearing, and any and all other evidence (within the meaning of Public Resources Code §21080(e) and §21082.2), the City Council of the Town of Los Altos Hills hereby finds as follows:

1. All recitals above are true, correct, incorporated herein and made a part hereof.
2. The documents and other material constituting the record for these proceedings are located at the Community Development Department for the Town of Los Altos Hills, 26379 Fremont

Road, Los Altos Hills, and in the custody of the Community Development Director.

3. This Ordinance is exempt from CEQA pursuant CEQA Guidelines section 15061(b)(3) as CEQA only applies to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This Ordinance establishes an inclusionary housing program to promote affordable housing and incentivizing development opportunities, consistent with state law and the Housing Element. However, it does not approve any projects, grant any entitlements, or make physical changes to the environment. As such, this Ordinance is a regulatory act taken by the Town and does not physically change the environment. Therefore, it is exempt from CEQA as it does not have the potential for causing a significant effect on the environment.
4. This Ordinance was prepared and adopted in accordance with the Planning and Zoning Law (Government Code, sections 65853-65860) and meets all of the requirements thereunder.
5. This Ordinance is consistent with and supports the General Plan by implementing housing goals, programs and strategies in the Housing Element, including but not limited to Program A-6. This Ordinance is consistent with Program A-6, and supports the Town's goals, policies and programs to incentivize housing, promote affordability, and reduce potential constraints. It also allows the Town to comply with relevant state housing laws.

SECTION II. AMENDMENT.

1. Additions to Title 10 "Zoning and Site Development" of the Municipal Code.

A new Article 18, "Inclusionary Housing Ordinance" is hereby added to Title 10, Chapter 1 of the Municipal Code to read as follows. Other chapters, articles, sections, subsections, paragraphs and texts in Title 10 are not amended and shall continue in full force and effect.

ARTICLE 18
INCLUSIONARY HOUSING ORDINANCE

§ 10-1.1801 Purpose and Intent
§ 10-1.1802 Definitions
§ 10-1.1803 Inclusionary Units or Fee Required
§ 10-1.1804 Number of Inclusionary Units
§ 10-1.1805 Affordable Housing In-Lieu Fee
§ 10-1.1806 Alternatives
§ 10-1.1807 Inclusionary Unit Standards
§ 10-1.1808 Inclusionary Housing Agreement
§ 10-1.1809 Adjustments
§ 10-1.1810 Affordable Housing Fund
§ 10-1.1811 Administration
§ 10-1.1812 Severability

§ 10-1.1801 Purpose and Intent; Title.

The purpose of this article is to facilitate the development and availability of housing affordable to a broad range of households with varying income levels within the Town to meet current and future affordable housing needs. Provision of inclusionary units within new residential developments will assure that new affordable housing units are distributed throughout the Town to promote affordable housing opportunities, housing mobility and housing choices. It is intended in part to implement state policy that declares that local governments have a responsibility to exercise their powers to facilitate the development of housing to adequately provide for the housing needs of all economic segments of the community, as stated in Government Code Section 65580.

This article is also intended to implement the Housing Element of the General Plan which calls for the continued implementation of an inclusionary housing program to require either production of affordable housing at moderate, low, and very low income levels; payment of in-lieu fees, or alternative means of compliance to support construction of affordable housing units. This article further intends to establish an inclusionary program that is responsive to changing housing market conditions through periodic evaluation and amendment as necessary.

This article establishes minimum affordable housing requirements applicable to qualifying residential developments. Nothing herein shall limit the applicability of other federal, state, regional, or local housing regulations, including but not limited to the California Density Bonus Law, fair housing requirements, or affordability requirements imposed through funding agreements or other governmental programs.

This article shall be known and cited as the "Inclusionary Housing Ordinance of the Town of Los Altos Hills" or " Inclusionary Housing Ordinance."

§ 10-1.1802 Definitions.

The definitions contained in Section 10-1.202 shall apply to the provisions of this article. Notwithstanding the foregoing, the following definitions shall apply only to this article.

Deed Restriction means a recorded covenant ensuring continued affordability of an affordable housing unit for the required affordability period.

In-Lieu Fee means a monetary payment accepted by the Town in partial or complete satisfaction of an inclusionary housing obligation where expressly authorized by this article.

Moderate-Income, Low-Income, and Very Low-Income shall have the meanings established under California Health and Safety Code Sections 50079.5, 50093, and related provisions, as may be amended.

Ownership Housing Development or **ownership project** means a residential development consisting of dwelling units intended for individual ownership through fee simple title, condominium ownership, stock cooperative, community apartment project, or other ownership tenure recognized by law.

Rental Housing Development or **rental project** means a residential development in which dwelling units are intended primarily for lease or rental occupancy.

Residential Development means any project that either: (1) includes the construction of ten (10) or more dwelling units.

City Council means the City Council of the Town of Los Altos Hills.

§ 10-1.1803 Inclusionary Units or Fee Required.

Any new residential development project with dwelling units intended or designed for permanent occupancy shall be developed to provide affordable housing units to very low-, low-, moderate-, and above moderate-income households and/or pay housing in-lieu fees in accordance with the requirements, policies and procedures specified in this section.

(a) ***Requirement- Ownership Housing Development.*** All ownership projects shall either include the number of inclusionary units required under Section 10.1-1804 or pay the in-lieu fee required under Section 10-1.1805, unless an alternative is proposed by the developer and approved as described in Section 10.1-1806. No application for a rezoning, tentative map, parcel map, conditional use permit, conditional development permit, site development permit, or building permit shall be approved, nor shall any such ownership project be constructed or condominium conversion approved, without compliance with this article.

(b) ***Requirement- Rental Housing Development.*** All rental projects shall either include the number of inclusionary units required under Section 10.1-1804 or pay the in-lieu fee required under Section 10-1.1805, unless an alternative is proposed by the developer and approved as described in Section 10-1.1806. No application for a rezoning, tentative map, parcel map, conditional use permit, conditional development permit, site development permit, or building permit shall be approved, nor shall any such ownership project be constructed or condominium conversion approved, without compliance with this article.

(c) ***Exemptions.*** Notwithstanding subsections (a) and (b) above, this article shall not apply to following:

1. Accessory dwelling units and junior accessory dwelling units.
2. SB 9 Units and Urban Lot Splits
3. Residential developments consisting exclusively of deed-restricted affordable housing.
4. Emergency shelters, supportive housing, transitional housing, and other housing developments exempted under applicable state law.
5. Replacement dwelling units that do not increase the number of residential units on a property.

§ 10-1.1804 Number of Inclusionary Units.

The required affordable housing obligation shall be calculated as a percentage of the total number of

dwelling units within the residential development, excluding any accessory dwelling units or other units exempted under this article. Affordable units shall be constructed concurrently with, or prior to, the construction of market-rate units. Upon request of the project developer, an alternative phasing schedule may be approved by the Town Manager upon a finding that the alternative schedule better serves the purposes of this article.

(a) ***New Ownership Housing Developments.*** The developer of an ownership project shall pay the in-lieu fee specified in Section 10-1.1805, or include either:

1. 7.5 percent (7.5%) of the dwelling units as moderate income ownership units; and

2. 7.5 percent (7.5%) of the dwelling units as low income ownership units.

Notwithstanding subsection (c) of this section, a minimum of one (1) inclusionary ownership dwelling unit shall be provided per project.

(b) ***New Rental Housing Developments.*** The developer of a rental project shall pay the in-lieu fee specified in Section 10-1.1805, or include either:

1. 7.5 percent (7.5%) of the dwelling units as low income rental units; and

2. 7.5 percent (7.5%) of the dwelling units as very low income rental units.

(c) ***Fractional Units.*** When the application of the percentages specified above results in a number that includes a fraction, the fraction shall be rounded up to the next whole number if the fraction is seven-tenths (0.7) or more. If the result includes a fraction below seven-tenths (0.7), the developer shall have the option of rounding up to the next whole number and providing the inclusionary unit on site, or paying a fee in lieu of providing an additional inclusionary unit. The in-lieu fee shall be calculated in accordance with Section 10-1.1805.

(d) ***Blended Targeted Income Levels.*** The developer may request that the project include inclusionary units that are targeted to a mix of income levels (moderate, low and very low) instead of just to one (1) income level. The final decision regarding the mix of targeted income levels shall be made by the City Council or Site Development Authority.

(e) ***Partial In-Lieu Fee.*** The developer of a residential development project may request to pay the in-lieu fee for a portion of the required units. In this case, the per square foot fee would be decreased equal to the proportion of the required percentage of inclusionary units being provided in accordance with Section 10-1.1804. The final decision regarding the mix of targeted income levels shall be made by the City Council or Site Development Authority.

(f) ***Unit Mix.*** The unit mix (i.e., the number of bedrooms per unit) of the inclusionary units shall be in the same proportion as the unit mix of the market rate units. For example, if a project has ten (10) two (2) bedroom units and twenty (20) one (1) bedroom units and is required to include three (3) inclusionary units, then the inclusionary units must consist of one (1) two (2) bedroom units and two (2) one (1) bedroom units. If only one (1) inclusionary unit is required and the

other units in the project have various numbers of bedrooms, the developer may select the number of bedrooms for that unit. If inclusionary units cannot mathematically be exactly proportioned in accordance with the market rate units, the unit mix shall be determined by the City Council or Site Development Authority.

(g) ***Location of Inclusionary Units.*** Except as provided in Section 10-1.1806, all inclusionary units shall be built on the same site as the remainder of the project, and evenly distributed throughout the project.

(h) ***Replacement Units.*** If a proposed residential development project would result in the demolition or elimination of existing dwelling units that have, or had within the twelve (12) months prior to submittal of the application, rent levels affordable to low income households, and these dwelling units were built less than thirty (30) years ago, the affordable dwelling units must be replaced on a one (1) for one (1) basis affordable to low income households. If the number of required inclusionary units is less than the number of low income units being eliminated, the developer shall either (1) include a number of inclusionary units affordable to low income households in an amount equal to the number of low income units being eliminated or (2) provide the number of inclusionary units required based upon project size (or pay the in-lieu fee if permitted by this article), and then pay an in-lieu fee for the remaining replacement units (over the inclusionary unit amount) calculated in accordance with Section 10-1.1805(e) for fractional in-lieu fees.

§ 10-1.1805 Affordable Housing In-Lieu Fees.

(a) A fee may be paid in lieu of providing (1) inclusionary units in an ownership project, (2) inclusionary units in a rental project, and (3) fractional inclusionary units below seven-tenths (0.7) of a unit.

(b) For residential development projects constructed in phases, in-lieu fees shall be paid prior to issuance of each building permit in the proportion that the phase bears to the overall residential development project.

(c) Notwithstanding any other provision of this article, to the extent that an ownership project or a rental project involves the demolition of existing dwelling units at a ratio of one-half (0.5) or greater to the construction of new dwelling units, the affordable housing in-lieu fee and the requirements to provide inclusionary units shall be based upon the number of net new dwelling units to be constructed.

(d) The City Council shall, from time to time, adopt a resolution setting forth the amount of the in-lieu fees. Current fees are published in the Town's Fee Schedule.

(e) Fractional in-lieu fees shall be calculated as follows:
The per square foot in-lieu fee divided by the applicable inclusionary requirement times the average square feet of a unit in the development times the fractional unit.

(f) All fees shall be paid by the developer prior to issuance of a building permit for any residential structure in the development project or as determined by the residential development project's

adopted conditions of approval.

(g) The in-lieu fees shall not exceed the average estimated cost of otherwise providing the required inclusionary units affordable to a very low income household, a low income household or a moderate income household, as applicable, including but not limited to: (1) estimated construction costs, (2) the cost of land, (3) financing costs, (4) consultant costs (including without limitation architecture, engineering, and other costs), and (5) any indirect costs.

§ 10-1.1806 Alternatives.

The developer may propose an alternative means of compliance with this article instead of provision of inclusionary units or payment of an in-lieu fee according to the following provisions, in the order of the Town's preference:

(a) ***Off-Site Construction of Inclusionary Units.*** Inclusionary units may be constructed off site only upon a determination by the Town that on-site construction is infeasible. If this option is chosen, then the off-site inclusionary units must be constructed prior to or concurrently with construction of the residential development project. The inclusionary unit size and count must meet the same requirements as if the inclusionary units were constructed on site. No certificate of occupancy will be issued for any corresponding market rate unit prior to inclusionary unit construction completion or payment of required in-lieu fees.

(b) ***Land Dedication*****.** In lieu of building inclusionary units, the developer may dedicate to the Town land within the Town that the Town determines is suitable for the construction of inclusionary units and is of equivalent or greater value than is produced by applying the Town's current in-lieu fee to the inclusionary obligation. In accepting the land dedication, the City Council shall make the following findings:

1. The site is suitable for development of affordable housing;

2. Based on information and documents supplied by the property owner/project applicant, the site will be conveyed free and clear of liens, encumbrances, hazardous conditions, and title defects;

3. The site location, size, access, environmental characteristics, and surrounding land uses support residential development;

4. Acceptance of the property advances implementation of the Housing Element;

5. Dedication provides a public benefit equal to or greater than construction of affordable units within the proposed development;

6. Acceptance is consistent with applicable state law.

Acceptance of land pursuant to this subsection does not constitute approval of any rezoning, surplus land determination, or legislative amendments required for the land. If any legislative action, including rezoning, is required, such action shall occur pursuant to applicable Municipal

Code and state law requirements.

(c) ***Provision of Moderate Income Rental Inclusionary Units.*** A developer of a rental development project may propose to provide inclusionary units affordable to moderate income households. Such a proposal would include a percentage of moderate income units proportionally higher than the percent required for low income rental units. The final decision regarding the inclusion of moderate income rental units shall be made by the City Council or Site Development Authority.

§ 10-1.1807 Inclusionary Unit Standards.

(a) ***Design*****.** Inclusionary units must be evenly dispersed throughout a residential development project and be comparable in construction quality and exterior design to the market rate units. The inclusionary units must have access to all on-site amenities.

(b) ***Timing*****.** All inclusionary units must be constructed and occupied concurrently with or prior to the construction and occupancy of market rate units or development. In phased developments, inclusionary units may be constructed and occupied in proportion to the number of units in each phase of the residential development project.

(c) ***Terms of Affordability*****.** Rental inclusionary units must remain affordable for fifty-five (55) years, as documented through an affordable housing agreement recorded against the property. Ownership inclusionary units must remain affordable for forty-five (45) years pursuant to an affordable housing agreement recorded against the property.

§ 10-1.1808 Inclusionary Housing Agreement.

(a) ***Agreements Required*****.** Applications for residential development projects shall be approved only concurrently with the approval of an inclusionary housing agreement pursuant to this section. This section shall not apply if the developer chooses to pay a fee in lieu of providing inclusionary units pursuant to Section 10-1.1805.

(b) ***Information in Application.*** Applications for residential development projects shall include the following information in addition to information otherwise required under this Code:

1. The location, structure, proposed tenure (rental or ownership) and size of the proposed market rate and inclusionary units;

2. The calculations used to determine the number of required inclusionary units;

3. A floor plan or site plan depicting the location of the inclusionary units;

4. The income level targets for each inclusionary unit;

5. The mechanisms that will be used to ensure that the inclusionary units remain affordable for the required term;

6. For phased developments, a phasing plan;

7. A description of any requested incentives as allowed in subsection (d) of this section;

8. A marketing plan for the process by which qualified households will be reviewed and selected to either purchase or rent affordable units; and

9. Any other information requested by the Community Development Director.

(c) ***Approval.*** An inclusionary housing agreement between the developer and the Town shall be required by the City Council as a condition of approval of any tentative map, parcel map, conditional use permit, conditional development permit, or site development permit, as applicable. If the foregoing approvals are not required, an inclusionary housing agreement in a form approved by the Community Development Director shall be executed prior to issuance of a building permit. The inclusionary housing agreement shall provide for the implementation of the requirements of this article. The inclusionary housing agreement shall be recorded as a restriction on any parcels on which the inclusionary units are proposed to be constructed prior to the issuance of certificates of occupancy or approval of the final inspection for inclusionary units. The agreement shall be effective in perpetuity, unless reduced by the City Council to a specific term to meet the requirements of a financing institution or subsidy program, with respect to each affordable unit.

All inclusionary housing agreements must include, at minimum, the following:

1. Description of the development, including whether the inclusionary units will be rented or owner-occupied;

2. The number, size and location of the inclusionary units, or any approved alternative;

3. Inclusionary incentives by the Town (if any);

4. Provisions and documents for resale restrictions, deeds of trust, rights of first refusal or rental restrictions that shall be recorded against the property, to be executed by the developer;

5. Provisions for monitoring the ongoing affordability of the units, and the process for marketing units, and qualifying prospective residents' households for income eligibility;

6. Deed restriction in a form approved by the City Attorney’s Office;

7. Administrative fee requirements.

(d) ***Incentives.*** In approving an inclusionary housing agreement, the City Council may, in its sole discretion, include one (1) or more of the following incentives to encourage the construction of inclusionary units:

1. *Unit Size Reduction.* The size of the inclusionary units may be smaller than the market rate

units, consistent with all other provisions herein.

2. *Interior Finishes.* Inclusionary units may have different interior finishes and features than market rate units so long as the interior features are durable, of good quality and consistent with current State Building Code standards applicable and in effect for Los Altos Hills for new housing.

3. *Density Bonus Qualifying Affordable Units.* If the developer is proposing to provide affordable units in exchange for an increase in density, or concessions, incentives, or waivers/modifications of development standards pursuant to the State Density Bonus Law (Government Code Section 65915) and pursuant to Article 17 of this Chapter, those affordable units may count as inclusionary units provided they meet the requirements outlined in this article. When a density bonus is granted, the inclusionary requirements of this article will apply to the entire project, including the bonus units.

(e) ***Density Bonus Agreement.*** Where a residential development project complies with Article 17 of this Chapter, the developer shall enter into a combined Inclusionary and Density Bonus Housing Agreement.

§ 10-1.1809 Adjustments.

The requirements of this article may be adjusted or waived if the developer demonstrates that applying this article would take property in violation of the United States and/or California Constitutions. The developer shall submit a request for an adjustment or waiver together with the application and such additional information as may be required by the Community Development Director to make a determination.

If the number of dwelling units is modified after a residential development has been approved by the City Council or Site Development Authority, the inclusionary obligations pursuant to this article shall be recalculated prior to issuance of building permits or recordation of a final map, whichever occurs first.

§ 10-1.1810 Affordable Housing Fund.

An affordable housing fund is hereby established.

(a) The housing fund shall be administered by the Town Manager, or their designee, who shall have the authority to govern the housing fund consistent with this article, and with prescribed procedures for said purpose, subject to approval by the Council.

(b) Monies deposited in the housing fund along with any interest earnings on such monies shall be used solely to increase and improve the supply of housing affordable to moderate-, low- and very low-income households. Monies may be used to cover reasonable administrative expenses not reimbursed through processing fees, including reasonable consultant and legal expenses related to the establishment and/or administration of the housing fund and reasonable expenses for administering the process of calculating, collecting, and accounting for inclusionary housing in-lieu fees and any deferred Town fees authorized by this section. No portion of the housing

fund may be diverted to other purposes by way of loan or otherwise.

(c) Expenditures by the Town Manager from the housing fund shall be by contract and controlled, authorized and paid in accordance with general Town budgetary policies.

(d) Investment of monies from the housing fund shall be made in accordance with the Town's investment policy.

§ 10-1.1811 Administration.

(a) ***Administrative Procedures.*** The town may adopt administrative procedures governing management of the inclusionary program and funds pursuant to this article, including requirements applicable to condominium conversions or similar changes in tenure, provided that such procedures remain consistent with this article and applicable law.

(b) ***Requirements for Certificate of Occupancy/Final Inspection.***

1. No temporary or permanent certificate of occupancy shall be issued, final inspection approved or release of utilities authorized for any new dwelling unit in a residential development project until the developer has satisfactorily completed the requirements hereunder, i.e., on-site construction of affordable units, alternative equivalent action(s) or payment of the housing in-lieu fee.

2. No temporary or permanent certificate of occupancy shall be issued, final inspection approved or release of utilities authorized for a dwelling unit described as exempt from the requirements of this article in Section 10-1.1803(c) until the developer has made a showing acceptable to the Town Manager that such an exemption is appropriate.

(c) ***Appeals.*** Determinations made pursuant to this article may be appealed by the project developer pursuant to Title 10, Chapter 1, Article 10 "Appeals."

§ 10-1.1812 Severability.

If any provision of this article or the application thereof to any person or circumstances is held invalid, the remainder of the article and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby. In the event of any conflict between this article and applicable state law, the state law provision shall prevail.

SECTION III. SEVERABILITY.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional the remainder of this Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the Town of Los Altos Hills hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid,

or unenforceable.

SECTION IV. EFFECTIVE DATE AND PUBLICATION.

Pursuant to the provisions of Government Code Section 36933, a summary of this Ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this Ordinance is scheduled to be adopted, the City Clerk shall (1) publish the Summary, and (2) post in the City Clerk's Office a certified copy of this Ordinance. Within fifteen (15) days after the adoption of this Ordinance, the City Clerk shall (1) publish the summary, and (2) post in the City Clerk's Office a certified copy of the full text of this Ordinance along with the names of those City Council members voting for and against this Ordinance or otherwise voting. This Ordinance shall become effective thirty (30) days from and after its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

BY: _____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

RESOLUTION NO.

A RESOLUTION OF THE PLANNING COMMISSION OF THE TOWN OF LOS ALTOS HILLS RECOMMENDING ADOPTION OF AMENDMENTS TO TITLE 10 (ZONING AND SITE DEVELOPMENT) OF THE LOS ALTOS HILLS MUNICIPAL CODE TO ADOPT AN INCLUSIONARY HOUSING ORDINANCE IN ACCORDANCE WITH HOUSING ELEMENT PROGRAM A-6

WHEREAS, California Housing Element Law (Gov. Code §65580 et seq.) requires housing elements to assess housing needs, identify inventory of resources, and analyze potential constraints relevant to meeting a jurisdiction's Regional Housing Need Allocation (RHNA) obligation and for preserving, improving, and developing housing. This includes an analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, and inclusion of goals, programs and policies to promote and incentivize housing opportunities; and

WHEREAS, the adopted and state-certified 2023-2031 Housing Element ("Housing Element") of the Town of Los Altos Hills ("Town") contains numerous goals, policies and programs to meet its RHNA obligations, including an inventory of sites in the Town suitable to accommodate housing units at various income levels under RHNA, programs to rezone such sites to multi-family zoning districts to accommodate RHNA units and to ensure that parcels would be developed at appropriate minimum densities, and to streamline residential development projects and promote housing opportunities and mobility; and

WHEREAS, Program A-6 of the Housing Element states that the Town shall conduct an inclusionary zoning feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Upon a demonstration of feasibility, the Town will develop and amend its Zoning Ordinance to establish inclusionary housing requirements so that new developments reserve up to 15 percent of the total units for lower- and moderate-income households; and

WHEREAS, the Town participated in a multi-jurisdictional feasibility analysis process through the Santa Clara County Planning Collaborative, and subsequently retained Strategic Economics to prepare a Residential Feasibility Study and Inclusionary Housing Analysis ("Feasibility Study") to evaluate market conditions, economic trends, and financial feasibility of ownership and rental housing types in Los Altos Hills, and to assess how various inclusionary housing requirements could affect future development; and

WHEREAS, scenarios presented in the draft Feasibility Study were presented to the Planning Commission during a duly noticed study session on April 2, 2026, and to the City Council during a separate duly noticed study session on April 16, 2026, for feedback and direction. At both meetings, the Planning Commission and City Council received written and oral public comments, and provided various policy directions; and

WHEREAS, based on the final Feasibility Study, included with the accompanying staff report, and feedback received during the above-mentioned study sessions, the Town has prepared this Ordinance amending Title 10 of the Los Altos Hills Municipal Code to adopt an Inclusionary

Housing Ordinance that implements Program A-6 (the "Ordinance"), consistent with the Housing Element and state housing laws; and

WHEREAS, inclusionary housing programs are a recognized and effective method of increasing the supply of affordable housing while integrating affordable units within market-rate developments. Requiring qualifying residential developments to provide affordable housing or approved alternatives advances important public purposes, including reducing economic segregation, promoting housing opportunity, and implementing the Housing Element; and

WHEREAS, the Ordinance does not establish a residential impact fee or development impact fee within the meaning of the Mitigation Fee Act (Government Code section 66000 et seq.); and

WHEREAS, under the California Environmental Quality Act ("CEQA"), CEQA only applies to projects which have the potential for causing a significant effect on the environment. CEQA Guidelines section 15061(b)(3) provides that CEQA does not apply to activities that would not have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, on _____, 2026, the Los Altos Hills Planning Commission held a public hearing to consider a recommendation to the Los Altos Hills City Council regarding the proposed Ordinance. At the public hearing, the Planning Commission reviewed and carefully considered all testimony, comments, and evidence presented in the record and during the hearing. All interested parties were given an opportunity to be heard.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the Town of Los Altos Hills hereby makes the following findings and recommendations:

1. **General and CEQA Findings.**

Based on the entirety of the record before it, which includes, without limitation, the California Environmental Quality Act, Public Resources Code §21000, et seq. and the CEQA Guidelines, 14 California Code of Regulations §15000, et seq. (collectively, "CEQA"); the Los Altos Hills General Plan and Housing Element; the Los Altos Hills Municipal Code; all reports, minutes, and public testimony submitted as part of the Planning Commission's _____, 2026 public hearing, and any and all other evidence (within the meaning of Public Resources Code §21080(e) and §21082.2), the Planning Commission of the Town of Los Altos Hills hereby finds as follows:

A. The foregoing recitals are true and correct and made a part of this Resolution.

B. The documents and other material constituting the record for these proceedings are located at the Community Development Department for the Town of Los Altos Hills, 26379 Fremont Road, Los Altos Hills, and in the custody of the Community Development Director.

C. The Exhibit attached to this Resolution, consisting of the proposed Ordinance amending Title 10 of the Municipal Code (**Exhibit A**), is incorporated herein by reference as if set forth fully herein.

D. This Ordinance is exempt from CEQA pursuant CEQA Guidelines section 15061(b)(3) as CEQA only applies to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This Ordinance establishes an inclusionary housing program to promote affordable housing and incentivizing development opportunities, consistent with state law and the Housing Element. However, it does not approve any projects, grant any entitlements, or make physical changes to the environment. As such, this Ordinance is a regulatory act taken by the Town and does not physically change the environment. Therefore, it is exempt from CEQA as it does not have the potential for causing a significant effect on the environment.

E. This Ordinance is consistent with and supports the General Plan by implementing housing goals, programs and strategies in the Housing Element, including but not limited to Program A-6. This Ordinance is consistent with Program A-6, and supports the Town's goals, policies and programs to incentivize housing, promote affordability, and reduce potential constraints. It also allows the Town to comply with relevant state housing laws.

2. **Recommendation.**

Based upon the testimony received by the Planning Commission and the background and findings set forth above and all other evidence in the administrative record, **the Los Altos Hills Planning Commission hereby recommends that the City Council adopt the following**:

A. An Ordinance Amending Title 10 (Zoning And Site Development) of the Los Altos Hills Municipal Code to Adopt An Inclusionary Housing Ordinance In Accordance With Housing Element Program A-6, as shown in Exhibit A.

BE IT FURTHER RESOLVED this resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the Town of Los Altos Hills this __ day of _____, 2026, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED:

Chair, Planning Commission

ATTEST: